Daily Report

Latin America

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Paraguayan President's Summit Activities Summarized

PY2006161594 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2200 GMT 17 Jun 94

[Excerpts] Paraguay demanded true integration during the Fourth Ibero-American Summit of heads of state and governments held in Cartagena, Colombia. President Juan Carlos Wasmosy also defended the right to life and stated his opposition to abortion. The report on the president's activities in Cartagena is summarized by SNT [Sistema Nacional de Television] special correspondents Andres Caballero and Pedro Colman.

Cartagena implemented extreme security measures to assure security during the summit. Without a doubt, the first appearance of a civilian Paraguayan president at a summit and the change of Fidel Castro's military uniform for civilian clothes were noted by presidents and the press.

The international forum mainly discussed matters pertaining to trade and integration as factors for Ibero-American development. Wasmosy talked about Paraguay's need for an outlet to the Pacific Ocean because of the country's landlocked situation. [passage omitted]

President Wasmosy discussed the matter with the presidents of Chile, Peru, and Bolivia trying to find a solution.

[Begin Ruben Mengarejo, Paraguayan ambassador to the OAS, recording—in process] ...an outlet to the Pacific Ocean through a road to Antofagasta. Chile's president, through his foreign minister, committed his country's effort to finishing a stretch of the road—Paraguay will finish another stretch—connecting Mariscal Estigarribia and Pozo Hondo to a corridor to the Pacific Ocean. [end recording] [passage omitted]

All presidents participating in the summit are staying at the Cartagena Hilton Hotel. There Wasmosy met Spanish Prime Minister Felipe Gonzalez and King Juan Carlos.

[Begin recording] [Wasmosy] He [Felipe Gonzalez] will visit Paraguay between August and September. He will visit the Jesuit ruins, our dams, and other areas of the country. We also have agreed to establish a scholarship system for Paraguayan graduate students. We explained to them our project to regulate the Paraguay River's flow near Bahia Negra on the border between Brazil, Bolivia, and Paraguay. It is a project that seeks to regulate water flow, establish an irrigation system, maintain the ecology of the swampy area in the north, and permit the navigation of the Paraguay River, which also will benefit Argentina and Uruguay.

[King Juan Carlos] I visited Paraguay not long ago. I have been talking with my namesake [Juan Carlos Wasmosy], and I hope I will be able to return soon. The president has invited me, and I hope I will be able to include the country on my agenda, which has to be worked out in accordance with the Spanish Government, which decides on my plans. [end recording]

Wasmosy also talked with Colombian President Cesar Gaviria, who was accompanied by his assistants. Gaviria said he will help Paraguay from his position at the OAS.

[Begin recording] [Gaviria] Many American countries require cooperation, particularly technical cooperation, and other programs that help the OAS fulfill its mission.

[Wasmosy] He knows I have been one of those who worked for his election to the OAS before other presidents. I think Paraguay will have relevant participation in the OAS. [end recording]

Wasmosy also met Chilean President Eduardo Frei. The two presidents discussed investments and Mercosur [Common Market of the South].

[Begin recording] [Unidentified reporter] Did President Wasmosy put any conditions on Chile joining Mercosur?

[Ambassador Melgarejo] The overall wish is...[pauses] The problem is the way the treaty is written. We are studying the possibility of introducing changes into the treaty to permit the entry of Chile and Bolivia, as the president....[end recording]

Wasmosy also met Ecuadoran President Sixto Duran Ballen. Duran Ballen confirmed he will visit our country next September.

[Begin recording] [Duran Ballen] I want to visit Paraguay after the Rio meeting [reference unknown] in September.

[Unidentified reporter] What issues interest you, for instance?

[Duran Ballen] We are interested in learning something about cattle raising; Paraguay has had great success in this area and the area of energy. We are all acquainted with the large hydroelectric projects in Paraguay. We want to learn something from that experience. [end recording]

Wasmosy also met Nicaraguan President Violeta Chamorro. The two presidents talked about problems affecting cotton plantations and possible solutions. [passage omitted]

Wasmosy talked with Cuban President Fidel Castro on various occasions. He asked Castro not to send instructors in guerrilla tactics to Paraguay any more. According to Wasmosy, Castro answered that he was only helping the Paraguayan people without hurting the Paraguayan Government.

[Begin recording] [Unidentified reporter] Do you continue to justify his economic isolation despite the suffering of the Cuban people?

[Wasmosy] We do not support any blockade. What we have asked him for is an agreement, a proposal—to give it a name—permitting an increased opening and more freedom in his country. [end recording] [passage omitted]

Various presidents agreed in pointing out that these meetings must produce more concrete results or more immediate resolutions. Otherwise, people will continue thinking that these types of summits are simply social meetings for the heads of state and government.

Mercosur Vice Economy Ministers' Meeting Ends

PY2006174194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2314 GMT 17 Jun 94

[Text] Buenos Aires, 17 Jun (EFE)—According to remarks by Argentine Foreign Trade Secretary Carlos Kesman, great strides were made at the meeting of vice economy ministers of Common Market of the South [Mercosur] member countries that ended on 17 June.

Kesman did not make any concrete announcements about the progress made at the meeting. He just stated that it was a "working meeting" and therefore nobody expected any changes to what had been agreed to by Argentina, Brazil, Paraguay, and Uruguay.

The analysis of all the pending points on the common external tariff (AEC) was among the most salient issue discussed in the nearly eight-hour-long meeting at the Economy Ministry building in Buenos Aires.

Kesman also highlighted the controversy between Argentina and Brazil over capital goods in general and computer software and hardware in particular. He nonetheless denied reports about an alleged "flexibility" evinced by Brazilian authorities.

The four countries' representatives also analyzed aspects pertaining to the establishment of free trade zones and the reconciliation of tax policies.

The Argentine delegation was headed by Carlos Sanchez, the trade and investment secretary, and Jorge Campbell, the under secretary for commercial integration, who were accompanied by Kesman and Alejandro Mayoral, the under secretary for sectorial programming and integration.

Also attending the meeting were [Economic Policy Secretary] Winston Fritch from Brazil—Finance Minister Rubens Ricupero's right-hand man, Economy and Finance Under Secretary Juan Ignacio Garcia Peluffo from Uruguay, and Integration Vice Minister Ruben Fadlala from Paraguay.

Caricom Heads To Sign Trade Accord With Colombia

FL2106023094 Castries HTS Caribvision Television in English 1945 GMT 20 Jun 94

[Text] A trade agreement between Caricom and Colombia would allow some Caricom producers duty-free access to the Colombian market for four years. Trinidad and Tobago's Foreign Affairs Minister Ralph Maraj believes that the twin republic could be one of the principal beneficiaries. Caricom heads are expected to sign the agreement when they meet in Barbados in July. Minister Maraj says that while NAFTA will also be high on the agenda, efforts to bring about a Caricom single market must continue at least for now. Nicole Huggins tells us more:

[Begin recording] [Huggins] The trade agreement between Caricom and Colombia will allow some Caricom producers duty-free access to the Colombian market and a fees reduction of up to 33 and a third percent of duty on other goods. Foreign Affairs Minister Ralph Maraj says this is similar to the agreement which already exists between Caricom and Venezuela.

[Maraj] It is an improved agreement, even though you have reciprocity, and I think that view is shared by the experts in the field as well as the businessmen who will now be seeking to take advantage of this agreement.

[Huggins] After four years, Caricom countries would be required to provide reciprocal access to Colombian products. Caricom heads are expected to sign the agreement when they meet in Barbados in July. Also on the heads of government's agenda are studies of the North American Free Trade Agreement and its possible impact on Caricom countries. Although countries such as Trinidad and Tobago have already applied for individual entry into NAFTA, Minister Maraj insists it is not too late for a regional approach.

[Maraj] I think there was a wisdom in the effects of [passage indistinct], and I think that that is now commonly accepted, and I feel that as you say, we will have an even more, well a more certain and [word indistinct] approach to the whole matter. We also need to get more information as we engage in the negotiating process, which is to come at a later point in time. And once we have that information, it will strengthen our position to do justice to ourselves.

[Huggins] The heads will also continue work on a common Caricom currency, an integral part of the proposed single market. Given the uncertainty of NAFTA, Minister Maraj says this subregional effort must continue. [end recording]

Cuba

Canadian Foreign Minister Announces Resumption of Aid

FL2106013394 Havana Radio Rebelde Network in Spanish 2300 GMT 20 Jun 94

[Text] After a 10-year suspension, the Canadian Government will resume economic aid to Cuba. This announcement was made in Ottawa by Canadian Foreign Minister Andre Ouellet. Ouellet said it was time to turn the page regarding Cuba, adding that the Cold War ended long ago.

In 1978, because of Cuba's military assistance to Angola, in view of South African aggression against that country, Canada stopped sending aid to the island. AFP points out that Cuba had received $14.2 million in aid from Canada in 1978. The resumption of aid to Cuba will provide them with the equivalent of $500,000 [Canadian] in emergency food assistance for children and pregnant women through the World Food Program this year.

This news was to be announced in Havana by Christine Stewart, Canadian minister of state for Latin America and Africa, who is in Havana to participate in an economic conference on Cuba organized by the British magazine, THE ECONOMIST.

Canadian Minister of State Arrives for Conference

FL2006131894 Havana Radio Rebelde Network in Spanish 1155 GMT 20 Jun 94

[From the "Doing Radio" program]

[Text] Christine Stewart, Canada's minister of state for Latin America and Africa, begins a two-day visit to Cuba today. Stewart's visit will serve to analyze the development of bilateral ties between Cuba and Canada. Stewart will address the businessmen's conference sponsored by the British magazine THE ECONOMIST, which begins 20 June at the Hotel Nacional. A Canadian Embassy spokesman told the media that Christine Stewart's visit is within the framework of mutual political dialogue between Ottawa and Havana.

Five Leave Belgian Ambassador's Residence 20 Jun

PA2006212694 Madrid EFE in Spanish 2016 GMT 20 Jun 94

[Text] Havana, 20 Jun (EFE)—Today, five more Cubans abandoned the residence of the Belgian ambassador in Havana where they had been holed up since 28 May with the intention of obtaining political asylum, official sources have reported.

A total of 18 Cubans have left the Belgian diplomatic headquarters since last Thursday when Cuban President Fidel Castro said in Cartagena de Indias that he would not allow Cubans who forcefully enter diplomatic missions in Havana to leave the country.

There are currently 100 occupants at the Belgian diplomatic residence, 21 at the German Embassy, which they entered by crashing a truck into the garage door on 13 June, and eight at the Chilean Consulate, which they entered two days later by jumping over the surrounding fence.

On 19 June, the Cuban Government warned that those who entered embassies forcefully "will never receive authorization to leave the country," even after leaving the diplomatic headquarters. So far, the island's authorities have said there would be no retaliation against those who forcefully entered the embassies and that they would be able to leave the country through legal means. This last stand, however, clearly shows that "no exception will be made" for the occupants of the diplomatic missions of Belgium and Germany, and the Consulate General of Chile.

Minrex Statement on Occupation of Embassies

FL2106020994 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Jun 94

[Text] The Ministry of Foreign Relations [Minrex] of the Republic of Cuba issued a note regarding the entrance of Cuban citizens into several diplomatic quarters in the capital. In the communique, the Minrex points out that on 28 May, approximately 100 Cuban citizens entered the Belgian Embassy; on 13 June, approximately 20 people used a stolen truck to break down the garage door of the German Embassy; and two days later, another group of nine citizens penetrated the Chilean Consulate. The note points out that objective of these attempts was to use that means to travel abroad. As is well know, these actions are promoted from abroad for the purpose of political propaganda. In any of these cases, those involved are not victims of political persecution and are generally denied visas from abroad to travel legally.

The Cuban Government has reiterated that the entrance into diplomatic missions or consulates is not only a violation of Cuban law, but the principles protected by international laws of the Vienna Conventions on diplomatic and consular relations, which Cuba, as host country, is obliged to enforce.

For that reason, the note adds, the Cuban Government categorically ratifies that it will never authorize the departure of people who have forcefully penetrated a diplomatic facility from the country even if they later abandon the facility. The note adds that the only option these people have is to passively leave the respective diplomatic facilities and return to their homes without legal action being taken against them.

The Minrex note highlights that Cuba has taken this position only to demonstrate its good will toward the governments of those diplomatic missions in which these Cuban citizens are located and to facilitate the most expedient solution to the problem.

Commentary Views Ibero-American, Miami Summits

PA1706225794 Havana Radio Havana Cuba in Spanish 0100 GMT 16 Jun 94

["Our America Commentary" from the "Evening Information Review" newscast: "Definition of Relations Between Latin America and the United States"]

[Text] In a prior commentary on the Fourth Ibero-America Summit held in Cartagena de Indias, Colombia, we mentioned that it has been said that this important meeting could be considered to be the predecessor of the hemispheric summit called for by the United States at year's end in Miami. In addition to such an error is the arrogant attitude of summoning the hemispheric leaders without even consulting the OAS, although the event will undoubtedly be an exceptional opportunity for direct dialogue between Latin America and the United States about the continent's urgent economic and social problems. [sentence as heard]

This is how Cuban President Fidel Castro regards this event and what he stated during his speech to the Ibero-American leaders. He indicated that at the Miami meeting, the region's representatives could demand fair treatment from the hemisphere's main economic power to make possible and feasible the socioeconomic development of our nations—shunned by and subjected to the dominant and hegemonic policy that the U.S. rulers have followed.

The Ibero-American presidents agreed to a great extent on the need to struggle against poverty and to give particular attention to the social problems that plague the continent. These problems have been aggravated by the application of economic policies of a statistical reorganizational nature which in no way take into account differences, injustices, and negligence. These policies look at technical aspects of economic problems and disregard the social backgrounds where these policies are applied, as well as the problems that these could bring to our nations and definitely to the whole continent. These policies are drawn up in the isolated meeting rooms of the banking and financial institutions.

It is obvious, as we have pointed out before, that the Ibero-American leaders are conscious that new economic relations on the continent must take into account, above all, the fact that one of the Latin American nations present at this first summit conference, Cuba, has been economically and financially blockaded by the United States for 32 years. One can hardly talk about opening, diversification, and fair relations between the North and South if such arbitrariness continues to be allowed. It is also obvious, however, that the hemisphere's top leaders are also interested in at least the majority of the Latin American nations progressively joining the new trade relations hailed by U.S. President William Clinton. That is, the new initiative for the Americas now called NAFTA.

With this thought in mind, it is logical that they do not want to cloud the summit with such a radical and noisy demand as the end of the Cuban blockade. Through Fidel Castro, Cuba has expressed its understanding of such a touchy issue and has stated it does not oppose the Miami meeting if such an event can be taken advantage of to advance—even if only slightly—the improvement of the economies so dearly needed by our American nations.

Cuba has stoically opposed U.S. aggressions since it decided to sovereignly choose its own political, economic, and social path. A very high price has been paid as a result of the blockade; it has cost Cuba over $40 billion. Cuba has also suffered in many other ways as a result of the stubborn U.S. hostility. But Cuba has moral reserves to continue resisting and will escape, through its own efforts, from the void into which they have made it fall.

Commentator Analyzes Ibero-American Summit

FL1806010794 Havana Radio Rebelde Network in Spanish GMT 94

["Our Opinion" commentary by Orlando Contreras]

[Text] The Fourth Ibero-American Summit has concluded with the results we already know about. It is time to make a more detailed analysis without the confusion of breaking news received minute-by-minute.

In his first speech before the plenary of the fourth summit, Fidel established Cuba's position on the summit to be held in Miami toward the end of the year. Our country, as everyone knows, was excluded from that meeting. It seems that the U.S. Administration does not have the courage to face an open dialogue with Cuba. It prefers to exclude Cuba rather than to exchange ideas and positions. It is as if Washington feared an open dialogue without intermediaries to hide the truth.

Nothing is more accurate than Fidel's description of the U.S. Administration's attitude. Fidel said: How much cowardice, mediocrity, and political poverty is truly reflected by this exclusion. Fidel goes on to say that if these issues—the problems of Latin America and the Caribbean—are discussed at the Miami summit, Cuba wishes it success, but if all it comes down to is an attempt to draw lines on the hemisphere, to isolate Cuba, and to control the Latin American and Caribbean market, ahead of Europe, Japan, and the rest of the world, then this meeting would be another lie, another carrot-and-stick approach.

So far, everything seems to indicate that this Miami summit seeks to guarantee U.S. markets. Let us look at one event that speaks for itself. On 2 May, Alexander Watson, U.S. assistant secretary for Inter-American Affairs, spoke at the 24th conference of the Council of the Americas. After extensive rhetoric, he spoke some truths that reflect the U.S. position and what Washington seeks in its Florida summit. I will quote Mr. Watson:

Thirty-seven percent of U.S. exports are aimed at nations of the Western Hemisphere. The United States sells just as much to Brazil as it does to China; more to Venezuela than to Russia; and more to Ecuador than to Poland and Hungary combined. Since 1986—keep in mind that I am quoting Alexander Watson—the value of U.S. exports to Latin America and the Caribbean increased 144 percent, while our exports, U.S. exports—remember these are Watson's words—to the rest of the world increased 90 percent. The developing countries of Latin America are the main addressees of private U.S. investments, which represented $5.1 billion between 1990 and 1992. In other words, approximately 70 percent of our investments were made in developing countries.

Those are the words of Alexander Watson, assistant secretary for Inter-American affairs. Watson concluded by saying: The proximity, the patterns for investment, and the established cultural ties help give U.S. products important advantages in these markets, which have a strong tendency to buy our products.

Friends, I believe it is clear that the United States, faced by its fiscal deficit and chronic trade deficit, wants to guarantee its Latin American market. Nowhere in Alexander Watson's entire speech was there mention of the United States' purchasing from Latin America and the Caribbean. The U.S. secretary for Inter-American Affairs only talked about sales. The United States sees Latin America and the Caribbean as a market for its investments and exports, or as Fidel puts it, it seeks to control the Latin American and Caribbean market ahead of Europe, Japan, and the rest of the world.

Raul Castro Presides Over Artillery Cadet Graduation

FL1706230994 Havana Radio Reloj Network in Spanish 1932 GMT 17 Jun 94

[Text] On 17 June, General of the Army Raul Castro, minister of the Revolutionary Armed Forces [FAR], presided over the graduation ceremony of the Comandante Camilo Cienfuegos Artillery School, which took place in the military's historic Parque Morrocabana in Havana City. The new officers completed their studies as specialists in charge of artillery troops, ideological officers [politicos], and engineers. Seven officers received gold diplomas based on their high scholastic achievements and their integral conduct in the spheres of agriculture, sports, investigation, and teaching.

Lt. Tania Mayelin Sierra, in the name of the cadets, stated their commitment to picture the Armed Forces as a passion, not as a way of earning a living,and to using their talents for the development of science and technology.

Accompanying Raul Castro during the graduation ceremony of the Camilo Cienfuegos Artillery School were high-ranking officers of the FAR and the Ministry of the Interior as well as the cadets' relatives.

Talk Show on Measures Against 'Moneybags' Activities

FL1706235794 Havana Radio Rebelde Network in Spanish GMT 94

[From the "Straight Talk" program]

[Text] Havana Radio Rebelde Network in Spanish at 1600 GMT on 16 June carries its "Straight Talk" program with guest journalist Eloy Concepcion of TRABAJADORES newspaper, and show host Osvaldo Rodriguez, of BOHEMIA magazine. The show's topic is the so-called "moneybags", or "macetas," and the decree issued by the government to counter their activities through the expropriation or confiscation of ill-gotten assets and money.

Rodriguez says the crux of the matter is whether or not the "moneybags" ' activities can be eliminated once and for all. Concepcion says this can be easily done because the issue was discussed during the parliaments in the workplace, and even before that, and that the people can identify the significant number of people who have ill-gotten riches through the sale of products that are critically needed by the population, including food and medicine. He adds that given the amount of money and resources they have, money hoarders disrupt the market and sponsor and direct—both theoretically and practically—the black market's activities.

Concepcion adds: Cubans are used to revolutionary offensives, meaning people on the streets shouting and demanding punishment for certain people, and they thought this would be the case. The authorities, however, acted with serenity because investigations were carried out to ascertain these actions rather than carrying out hasty confiscations, which proves the Revolution's maturity and strength from the legal viewpoint.

Speaking of the authorities' role, Concepcion says prosecutors have assumed a truly praiseworthy attitude because they enforce Decree 149 by using all the legal mechanisms available, so there is not the slightest indication of an action that is inconsistent with the law. Rodriguez says this proves a state of law prevails in the country.

Concepcion and Rodriguez continue to discuss the implementation of Decree 149 and the fact that "moneybags" wrongly believe they can get away with anything.

Rodriguez says people think the state is in charge of the situation, but it is actually the Committees for the Defense of the Revolution and the neighbors who are duty-bound to report any dishonest and fraudulent actions.

Concepcion comments that some people support "moneybags" because they have been good to some neighbors and friends, and even old ladies. Rodriguez says Colombian drug kingpin Pablo Escobar did the same with people he thought would later protect him, adding that

money hoarders are like the mafia. He says that sometimes, when an official arrives to make an arrest, some neighbor or beneficiary may try to create confusion and support the money hoarder, but those cases do not represent the majority. In fact, he says, one or two officials who have a certain level of authority have even tried to protect the "moneybags".

Rodriguez asks Concepcion to assess the situation and the Finance Ministry's plans in this sector. Concepcion says steps have been taken in the provinces; cars have been confiscated; equipment confiscated; entire warehouses of goods and medicine have been found in certain houses. He adds that the "moneybags" have used all the mistakes, thefts, and lack of control to their advantage so you can say they became "moneybags" because of the state's lack of efficiency.

Commentary Scores Theft, Corruption, Negligence

FL1806171294 Havana Radio Progreso Network in Spanish 1000 GMT 18 Jun 94

["Viewpoint": Commentary by Luis Orlando Pantoja; from the "First Thing" program]

[Text] A total of 14 tractors have been stolen, in addition to the ones they still seem to be looking for. I believe the figure involved is actually higher. A tractor is not a box of cigarettes, or a loaf of bread, or a bar of soap that you can carry in your pocket or tuck inside a shirt. If I am not mistaken, a tractor is slightly larger than a cigarette lighter. Anyway, one of the 14 tractors belonged to the Batabano Assorted Crops Enterprise and, as far as I know, absolutely no one has reported the tractor's disappearance to the police.

We have heard that it all began with the theft of a privately owned tractor, for which no less than 50,000 pesos and 10 bags of rice were paid. This led to the discovery of various links in the chain of criminals and others who are perhaps not so criminal but have definitely acted with that same spirit. They used official documents or forged documents issued in the name of certain organizations; receipts of state workshops where the equipment was repaired—at least that is what some documents state; purchase and sale bills; and, in sum, a complete network of people, procedures, and paperwork that have yet to be sorted out and which investigating agencies are processing to get to the heart of the matter.

My viewpoint coincides with that of the journalist who published the information. There is a lot of negligence; more than one person has failed to issue the necessary orders. How is it possible that despite all that has been discussed at the assemblies in the workplaces and all that has been said about strengthening controls and surveillance, no less than 14 tractors have been lost? It is very clear to me. Those who should prevent thefts, control basic means, and protect those means have acted with a carelessness that verges on irresponsibility. If those who negotiated the tractors and sold them and those who were involved in this scheme are guilty, as far as I am concerned those who work in the state enterprises and allowed the thefts of equipment, spare parts, other resources, and the documents that are exclusively used by state enterprises and have had something to do with the disappearance of so many tractors are more guilty.

This will be a lengthy process and now is the time to enforce the law wherever it is necessary, even if it hurts, because it is worse and more painful to have things like this occur.

Commentary Defends Nation's Concept of Democracy

FL2006111594 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Jun 94

[Unattributed commentary from the "National Radio News"]

[Text] Correspondent Humberto Gonzalez Bordui has pointed out that the latest move toward Cuban democratization involves the majority's participation in adopting national decisions, through society's role in parliament. The so-called representative democracies on this continent are limited to elections. There is no contact between those who voted and those who were elected once presidential and parliamentary elections are over. Sovereignty and the people's influence are simply circumscribed to one or two days every few years. Nevertheless, more than 80,000 assemblies in the workplace were held nationwide before various measures were announced in Cuba to put internal finances on a sound basis and fight illegal enrichment. The assemblies were attended by millions of people to discuss topics that are not even discussed with the population in other societies of this hemisphere. Cuba has proved it is capable of developing a direct democracy—as much as this is possible in a modern society—because, although it is totally impossible to gather 11 million Cubans at one time, it can be done through a process.

Aside from supporting the government decision adopted following the last special session of the National Assembly of the People's Government, the implemented system will continue to develop so the population may help in the practical implementation of the measures and the control of their materialization. Our concepts about democracy differ a lot from the ideas of many leaders and rulers in this and other regions, but these differences have never been a source of embarrasment because, in the end, what other country in this hemisphere can show the social progress we still maintain despite the difficult conditions under which we live?

Roundup of Economic Developments

FL2006021694

[Editorial Report] The following is a compilation of reports on economic developments monitored from Havana radio and television sources in Spanish between 11 and 18 June:

Radio Rebelde at 1700 GMT on 17 June reports the arrival of a Spanish nursing delegation to attend the Sixth Cuban Nursing Association Congress in Santiago de Cuba. They brought a medical donation worth $500,000.

Radio Rebelde at 2300 GMT on 13 June reports that the Frank Pais wheat mill, in Santiago de Cuba, is overcoming its delays in production through a new policy for better efficiency and strict discipline in deliveries. Mario Rizo Fernandez, assitant marketing director, reviewed deliveries in Santiago de Cuba and other eastern provinces, adding organization and control measures implemented by the enterprise allowed "the recovery of discipline, stability, and proportionality in the deliveries." Rizo says the mill is responsible for supplying four provinces: Santiago de Cuba, Granma, Guantanamo, and Las Tunas. The official reveals distribution has been fulfilled as follows: Santiago de Cuba, 92.8 percent; Granma, 86.6 percent; Guantanamo, 119.8 percent; and Las Tunas, 115.7 percent.

Radio Rebelde at 1155 GMT on 15 June reports that a gold-producing plant with an initial potential of 300 kg per year was inaugurated in a Pinar del Rio municipality. The plant's facilities, fully planned and built by Cubans, are unique in the country; they are located in Minas de Matahambre Municipality, Pinar del Rio Province. Gold is obtained through the lixiviation method, meaning the use of a compound substance with adequate solvent to obtain a soluble solution.

Radio Reloj at 1933 GMT on 16 June reports that in Havana Province over 500 caballerias of sugarcane have been planted, which represents 69.3 percent of the spring planting goal. Also, over 330 caballerias of sugarcane have been fertilized.

Tele Rebelde and Cuba Vision at 0000 GMT on 17 June report that the salt mine in Guantanamo is recovering from the recent rainfall in May. They are currently operating and hope to meet their quota of 1,200 tons of salt for Havana City.

Tele Rebelde and Cuba Vision at 0000 GMT on 17 June report that, so far this month, the Pachito Toro paper plant has produced 2,000 tons of paper to be used for books and notebooks for the next school year.

Havana Radio Rebelde at 0900 GMT on 18 June reports that Committees for the Defense of the Revolution [CDR] in this territory have fulfilled annual goals in important indicators and are firmly determined to win the right to host the CDR national event on 28 September. The CDR has recovered more than 1.4 million bottles, 213 tons of paper and cardboard, 36 tons of aluminum; and retirees have donated 21,400 pesos. Furthermore, CDR members in Pinar del Rio have made more than 21,000 blood donations, which represents 7 percent above the expected levels.

Barbados

Elections Announced Following No-Confidence Vote

FL2106011094 Castries HTS Caribvision Television in English 1945 GMT 20 Jun 94

[Text] Barbadians will go to the polls on 6 September this year. Governor General Dame Nita Barrow made the announcement on Saturday. The election announcement followed several days of widespread speculation on Prime Minister Erskine Sandiford's political future after he lost a no-confidence motion on the seventh of June. Opposition Barbados Labor Party leader Owen Arthur welcomed news of the poll, saying there was no way the country's political crisis could go on any further.

[Begin Arthur recording] A deep and bitter division within the Democratic Labor Party as regards the best person to succeed Mr. Sandiford in the event that he has stepped down. [Words indistinct] had a person been appointed in his place could have called herself the [word indistinct] administration. That could not work. [Words indistinct] Barbados have been spared the agony of having a government that is unworkable and could only cause anarchy. [end recording]

Meanwhile, Mr. Arthur added that his party is ready, willing, and able to contest the elections and he also commented on the political future of (MP DeLyle Bradshaw) who missed the vote on the no-confidence motion.

[Begin Arthur recording] [Passage indistinct] rules is a democratic institution and our rules require that Mr. Bradshaw should be given the opportunity to answer to the party and to be tried in its presence if there is to be a trial. That process has not yet been gone through and therefore, I am not going to say anything that would be prejudicial to the case that Mr. Bradshaw may put, or would be prejudicial to the question as to whether or not he would be a candidate. [end recording]

Alternative Party Leader Offers 'Better Way'

FL2106014094 Castries HTS Caribvision Television in English 1945 GMT 20 Jun 94

[Text] National Democratic Party leader Dr. Richie Haynes says that his party too is ready to offer Barbadians an alternative to the two main political parties.

[Begin Haynes recording] The National Democratic Party gave Barbadians the opportunity once again to make a clean break with the confusion, the corruption, the abuse of authority, the neglect of the people, the victimization, the arrogance, and the incompetence which have characterized both recent Democratic Labor Party and Barbados Labor Party administrations and offers them a better way and a new path for this beloved country of ours. [end recording]

Dominica

Party Leader Chastises Region for Not Rescuing Haiti

FL2106000994 Castries HTS Caribvision Television in English 1945 GMT 20 Jun 94

[Text] The leader of the Dominica Labor Party, Rosie Douglas, has chastised the governments of the region for not coming to the rescue of Haiti. Douglas, who was also a panelist on the "One" discussion program, noted that in light of the end of the Cold War and the quest for economic cooperation in the region, Caribbean governments [words indistinct] time ago. He suggested that the governments join hands with the Black Caucus of the United States in the current move to pressure the Clinton administration to bring down the illegal regime in Haiti.

[Begin Douglas recording] We are going to impose a serious blockade, not without [words indistinct] spoke to the government in Santo Domingo who would send military advisors that will ensure that no oil flows to Haiti. That kind of embargo is much more serious. And I think the Caribbean governments realize it is at that point when the United States drifted away from the original objective of ridding the country of that kind of dictatorship. That is where the Caribbean governments [words indistinct] the Cold War is over [word indistinct] to that return now that they are associate membership in Santo Domingo, now that they have broken the ice with Cuba.

I think that at that time, the Caribbean as a group should have stood up to [word indistincts]. But they are still more or less simply endorsing what the United States is doing, but they themselves are not taking up the kind of responsibility, in the light of the end of the Cold War, in the lack of the need of that kind of economic bloc in the Caribbean. They should have been the ones sticking up the [words indistinct] nothing through the back door—Jamaica, Trinidad are ready, then talking as one voice—Haiti is part of the Caribbean—and linked through the Black Caucus. The Black Caucus would like the Caribbean leaders to link much closer to them, and tell Mr. Clinton, look, action must be taken. I believe now that the approach we take now on the pressure from the Black Caucus will see the end of that dictatorship, certainly before the end of this year. [end recording]

Dominican Republic

Opposition Paralyzes 3 Districts, Protests Electoral Fraud

PA2106005994 Mexico City NOTIMEX in Spanish 2322 GMT 20 Jun 94

[Text] Santo Domingo, 20 Jun (NOTIMEX)—The Committee for the Defense of Democracy in the Dominican Republic today paralyzed three Valverde districts to protest the fraud committed in the 16 May general elections, local police sources reported.

The protest, which was organized by opposition political parties, affected Esperanza, Mao, and Laguna Salada, where stores closed and urban and intra-urban transportation decreased, a Dominican radio station reported.

Some 20 people were arrested and are under investigation for throwing tacks on the streets, burning tires, and detonating explosive devices, police reports stated.

Committee members were linked to the Santo Domingo Agreement, which established a coalition made up of opposition parties led by Jose Francisco Pena Gomez of the Dominican Revolutionary Party (PRD) and the Democratic Union (UD).

Pena Gomez, who was favored to win the elections in the Dominican Republic, today reiterated his charges of electoral fraud and presented the Central Electoral Board [JCE] with "new evidence" that holds that organization responsible for the irregularities.

JCE initial results show that President Joaquin Balaguer, candidate for the Social Christian Reformist Party (PRSC), is leading by a minimum margin, but electoral authorities have not yet proclaimed his victory.

JCE President Manuel Garcia Lizardo reaffirmed that the board will not proclaim a winner yet based on the official results of the elections because every one of the reported irregularities is being investigated.

Meanwhile, Balaguer and Dante Caputo, UN envoy to Haiti, discussed the Haitian crisis behind closed doors. Caputo, who arrived in the morning, refused to give details on his meeting with Balaguer, but said they discussed international initiatives on the Haitian case.

Haitian Vessel Intercepted; Crew Interrogated

PA2106004794 Madrid EFE in Spanish 2304 GMT 20 Jun 94

[Text] Santo Domingo, 20 Jun (EFE)—Today, a U.S. Coast Guard vessel intercepted a Haitian vessel transporting food and textiles from Miami to the Haitian northern coast, sources from the Dominican Republic's Defense Ministry told EFE.

The boat, named "Roxanna," with registration number AK212-212, was intercepted in front of the Dominican Port of Manzanillo, close to the Haitian border, in the Dominican Republic's northwestern region. The vessel was delivered to the Dominican Navy at the Puerto Plata dock in the Dominican Atlantic Coast, where two other Haitian vessels are being held.

The ship was transporting wheat flour, vegetable oil, rice, other food products, and some textiles. The crew members—the exact number was not specified—are being interrogated in Puerto Plata by Dominican authorities, who have strengthened the embargo—on the economy, oil, and weapons—declared in a UN resolution to force

the Haitian military leaders to surrender power and to permit the return of deposed President Jean-Bertrand Aristide.

Haiti

Sansaricq Guarantees Safety for Foreigners

FL2006193694 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Jun 94

[Text] Bernard Sansaricq, president of the branch of the Senate controlled by the Alliance for Parliamentary Cohesion, has called on Haitian authorities to guarantee the safety of foreign nationals living on Haitian territory to avoid any pretext for military intervention by the international community. Sansaricq has asserted that the Senate will take all necessary measures to manage the situation.

[Begin recording, in Creole] [Sansaricq] Personally, I guarantee the international community that the Senate of the Republic will do its best to protect the safety and lives [pauses] so no attacks are perpetrated against foreigners in Haiti because what they want to show is that we are a band of wild people who cannot lead our country.

[Unidentified journalist] So you think that the international community has put economic diplomatic pressure on us, but that the threat of military intervention is not certain, contrary to what is being said?

[Sansaricq] There is no reason to invade Haiti because we are a peaceful country. If President Clinton takes upon himself the responsibility for putting a half-crazy man back in power—a pro-Libyan, pro-Castroist, a man who could have established democracy in Haiti but did not—I think President Clinton will regret it because he will have many problems, not in Haiti, but in the United States, with his own people, 65 percent of whom tell him no, do not enter Haiti.

We will do our best to manage the situation. If the intervention comes, we can do nothing about that. We will manage it the way it comes. We can do nothing about it, but we always [pauses] we would not like our country to be invaded. [end recording]

Regime Lists Emergency Zones, Rejects Sanctions

FL2006171294 Port-au-Prince Radio Metropole in French 1045 GMT 20 Jun 94

[Text] On 18 June, Judge Emile Jonassaint's provisional government declared some of the nation's strategic zones to be emergency zones, within the framework of the state of emergency.

The Haitian-Dominican border is just one of those zones. The decree indicates that the innersea [not further specified] and Haiti's coastline are considered strategic zones, with limited access to Haitians and foreigners. Power stations, radio antenna, and telecommunications sites are also declared strategic zones, whose access is subject to security conditions established by concerned authorities. The use of photographic and filming devices and of radio communications is also subject to special authorization by the concerned administrative authorities in those strategic zones.

In addition, the government decree stressed that the latest international sanctions against Haiti constitute a blatant violation of human rights and are similar to genocide and that increased sanctions could provoke a fratricidal war in the country.

Jonassaint Presides at Ceremony Marking New Flag Policy

PA2006155694 Paris AFP in Spanish 1436 GMT 20 Jun 94

[Text] Port-au-Prince, 20 Jun (AFP)—This morning, Haiti's provisional President Emile Jonassaint, who has not been acknowledged as such by the international community, personally hoisted his country's blue and red flag in front of the National Palace as numerous Haitian and foreign journalists watched.

Earlier, an official communique had announced that "from now on, the national flag will remain at the top of the flagpole until further notice, and it will be saluted every morning. The daily ceremony of lowering the flag has been abolished." The purpose of this measure is to strengthen the "flag's symbolism" to contribute to the safeguarding of "national independence."

Bernard Sansaricq, president of one of the Senate's opposition blocs (not acknowledged by the international community), and Army Chief General Raoul Cedras, along with the Haitian military high command, were at Jonassaint's side.

Protestant Association Calls For Resistance

FL2006222794 Port-au-Prince Radio Metropole in French 1600 GMT 20 Jun 94

[Text] The Association of Committed Protestant Pastors and Leaders [APLPE] takes a position. The association is calling on the Christian people of Haiti to resist, and reminds them that, like the people of Israel, the defense of the homeland against the attack of invaders, is sacred. According to the Association of Committed Protestant Pastors and Leaders, the embargo that the association calls unfair and criminal, imposed on Haiti by the international community, constitutes an attack on human rights, and the various UN resolutions are an open invitation for an invasion of the Haitian national territory and violates the spirit of the organization.

The association notes that several political and socioprofessional organizations have made proposals for a solution to the crisis, and that the international community has faced failure after failure in its attempt to restore a fictitious democracy in Haiti. Therefore, the Association of Committed Protestant Pastors and Leaders calls on the Christian people to organize a resistance and

reminds them that like the people of Israel, the defense of the homeland against invaders is sacred.

This press release was signed by Dr. Jacques Jovin, president of the Association of Committed Protestant Pastors and Leaders.

St. Lucia

UN Envoy: Military Intervention in Haiti 'Likely'

FL2006232194 Castries HTS Caribvision Television in English 1945 GMT 20 Jun 94

[Text] Military intervention is quite likely the solution to the present dictatorship in strife-torn Haiti. That is the view of St. Lucia Ambassador to the United Nations, Dr. Charles Fleming. Speaking on the discussion program "One," on (Helen) Television System, Dr. Fleming refuted claims that the United Nations does not regard the Haitian crisis as a priority. According to Ambassador Fleming, the treatment accorded Haiti by the United Nations is perhaps one which many other countries with similar problems are yet to receive.

[Begin Fleming recording] Since Aristide was overthrown, we have had coup d'etats elsewhere and the UN has done nothing. So certainly, Haiti is certainly a priority for the international community. The reason I don't want to eliminate military intervention as an option is because Haiti is by far the poorest country on which economic sanctions have ever been imposed, and as we discussed economic sanctions at the United Nations, we kind of agreed how long would we keep these sanctions on. You can't keep them on indefinitely because you would be in essence be killing off the poor people. So there has to be a time when we say okay, the sanctions are not working. What are we going to do? I agree that if Cedras goes into the bunker with several cans of corned beef, he can outlast the sanction for many, many years. So there has to be a final option. If we've agreed that we are going to find a solution to Haiti, based on the fact that the traditions in Haiti of coups d'etat and instability are really destroying the country and hurting the poor people, then we have to have a terminal solution if need be, and that's a military option. And I'm pleased that, in fact, Aristide himself has come around and agreed that a military option should be considered. [end recording]

New Financial Institution Created Under NAFTA

PA1806194194 Mexico City XEW Television Network in Spanish 0430 GMT 18 Jun 94

[From the "24 Hours" newscast]

[Text] Today, the so-called North American Development Bank (Nadbank), an institution created within the framework of the North American Free Trade Agreement [NAFTA] was formally created. The fundamental objective of this new institution will be to manage funds that are earmarked for social and environmental improvement projects to be implemented along the border between Mexico and the United States.

Finance Secretary Pedro Aspe and U.S. Treasury Secretary Lloyd Bentsen presided over the signing ceremony as well as the Nadbank's first Board of Directors meeting. The signing ceremony took place before numerous Mexican and U.S. business representatives at the San Antonio Convention Center. Secretary Aspe commented on the joint efforts by each nation's government to improve environmental and infrastructure conditions along the common border.

U.S. Treasury Secretary Lloyd Bentsen, who was selected as president of the Nadbank's Board of Directors, called on the private sector to participate in the development of the projects proposed. The Nadbank will initially operate under a 10-year plan that encompasses projects totalling nearly $18 billion and will combine private as well as public resources.

Also present during the signing ceremony were Mexican Finance Deputy Secretary Guillermo Ortiz and Erminio Blanco, under secretary for international trade negotiations of the Commerce and Industrial Development, among other officials representing both nations.

PGR Office Begins Crime Prevention Campaign

PA2006180494 Mexico City XEW Television Network in Spanish 0430 GMT 20 Jun 94

[From the "24 Hours" newscast]

[Text] The Attorney General's Office [PGR] has undertaken a direct and decisive struggle against drug consumption. The PGR, which is headed by Humberto Benitez Trevino, has begun a campaign in Mexico City to prevent crime. The sale, distribution, and consumption of drugs are the first of a number of federal crimes about which citizens will receive information. For this purpose, the PGR has distributed posters in discotheques and restaurants in Mexico City, especially in the Zona Rosa, which is usually crowded with young people. The posters have been placed mainly in rest rooms and have the objective of making known to youths the dangers that the consumption and sale of drugs represent.

In the next few days, this crime prevention campaign will be extended to the entire country and will deal with various crimes, such as the illegal possession of firearms and the theft of archaeological artifacts. The colorful posters have the objective of preventing rather than just lamenting crimes. The struggle against drug addiction must begin from childhood and continue with greater intensity during adolescence.

Jalisco State Police To Fight Guadalajara Drug Bands

PA2106023394 Mexico City XEW Television Network in Spanish 0430 GMT 17 Jun 94

[From the "24 Hours" newscast]

[Text] Today, the Government of Jalisco State approved the creation of a public security program for Guadalajara. Some 8,000 policemen will wage an all-out attack on narcotrafficking bands.

Police Confiscate 13,200 Rounds of Ammunition

PA2006124294 Mexico City UNOMASUNO in Spanish 16 Jun 94 p 13

[Text] San Luis Potosi, San Luis Potosi State, 15 Jun—This morning, the Matehuala Municipality Federal Highway and Port Police (PFCP) confiscated a shipment of 13,200 rounds of ammunition of various calibers, allegedly destined for Tejupilco, Mexico State.

Francisco Javier Najera coordinated the confiscation. He explained the incidents occurred at km 180 of Highway 57, Mexico-Piedras Negras, on the stretch between Matehuala and El Retorno, when a pickup truck with Texas license plate No. JO-1862 was being driven over the speed limit by Mexican citizen Honorio Saucedo Moreno, 29, without its tail lights on, and for that reason he was stopped.

The authorities seized 13,200 rounds of ammunition for 9-mm weapons and varies amounts of ammunition for 223 [not further specified], 30-30 carbines, .44 revolvers, .38 specials, .38 supers, .37 supers, as well as for 7.62's, 30-mm, and 25- and 22- caliber carbines.

In preliminary statements made to Hector Manuel Enriquez Marquez, an Attorney General's Office official in Matehuala Municipality, Saucedo said he was hired in Houston, Texas, to transport the shipment to Tejupilco, Mexico State.

Defense Secretary on Armed Forces' Role in Elections

PA1806232194 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Jun 94

[Report on interview with Defense Secretary General Antonio Riviello Bazan by Jesus Casasola "on the occasion of the commemoration of freedom of speech;" place and date not given; from the "Evening News Panorama" newscast]

[Text] Mexican Defense Secretary General Antonio Riviello Bazan has affirmed that the National Army will not

patrol the streets of Mexico during the 21 August elections and that its only role in that process will be to safeguard the electoral balloting material.

Gen. Riviello said the Army is apolitical and is ready to serve whomever the people elect in the August elections. Regarding the troop movement in Guerrero State, the defense secretary said there is nothing abnormal about it.

[Begin Riviello recording] Right now the citizens are working normally amid peace and tranquillity. The Armed Forces must fulfill their constitutional role. They are called upon to fulfill their constitutional mission throughout the republic. We are represented by the military zones, which are called upon to be aware of the national problems and of the jurisdiction of national defense organizations. [end recording]

Defense Secretary Gen. Antonio Riviello breakfasted with reporters this morning on the occasion of the commemoration of freedom of speech. He said there is social peace in Mexico and that the Defense Secretariat does not know of any specific problem that could destabilize the country, such as weapons smuggling.

[Begin recording] [Casasola] During this time of political activity, there is a climate of social peace in the country, Defense Secretary Gen. Antonio Riviella stated. He said the Mexican Army will always preserve the sovereignty and security of the people. Interviewed at the end of the breakfast held on the occasion of the commemoration of freedom of speech, he said the Armed Forces' commitments are to support society in case of disasters or tasks as important as fighting drug trafficking to benefit Mexican society.

[Riviello] There has been a profound modification in the National Defense Secretariat, both in its objectives and its achievements. Perhaps with more calm, I will gladly talk about that.

[Casasola] How does the social peace situation stand at the moment, Sir?

[Riviello] Well, the citizens are dedicated to their normal activities, working normally and calmly amid peace and tranquillity.

[Casasola] Mr. Secretary, what exactly did you mean when you said the Armed Forces are keeping abreast of things in Oaxaca, Guerrero?

[Riviello] The citizens are working normally amid peace and tranquillity. The Armed Forces must fulfill the constitutional role assigned to them. They are called upon to fulfill their constitutional mission throughout the republic.

[Casasola] Do you mean throughout the entire republic?

[Riviello] Yes, throughout the country we are represented by the military zones, which are supposed to stay abreast of problems involving national defense.

[Casasola] Could any problems arise at this time?

[Riviello] So far, no.

[Casasola] Could problems be greater than those that already exist?

[Riviello] I have no information about that. [end recording]

Antonio Riviello Bazan denied that there is arms trafficking. He said no shipments of AK-47 rifles have been detected. He did comment, however, on weapons seized during the counternarcotics campaign of the present administration.

[Begin recording] [Riviello] As you have seen in the media, we have seized over 133,000 weapons during this administration. We have not confirmed any massive smuggling of weapons. It is our obligation and that of other government offices to ensure that this does not occur.

[Casasola] Is this equipment very sophisticated?

[Riviello] No, the type seized by the Defense Secretariat is of all types, revolvers, rifles. [end recording]

In his speech, Antonio Riviello Bazan recognized the work carried out by Mexican reporters, saying they have become a decisive force in the country's democratic life. During the interview, he added that the Mexican Army is apolitical and will support the president elected by the people in the 21 August elections.

Roundup of Electoral Developments

PA1806040294

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 21 August.

Tens of thousands of National Autonomous University of Mexico students and faculty members cheered Party of the Democratic Revolution [PRD] presidential candidate Cuauhtemoc Cardenas during a 6 June campus rally. Cardenas warned students that President Carlos Salinas de Gortari has "set up the mechanisms to commit electoral fraud" and called for a "deluge of democratic votes" to overcome the stumbling blocks, traps, and fraud. Cardenas said the three essential conditions for transition toward democracy are: 1) support for an active and involved civilian society; 2) following Cardenas' victory, the beginning of a transition toward democracy; and 3) a complete revision of constitutional bases and an open debate on a new constitution. (Monterrey EL NORTE (Foreign Edition) in Spanish 7 Jun 94 p 1A)

According to a survey published today in VOZ Y VOTO magazine, the Institutional Revolutionary Party [PRI] has lost 13 percent of its voter support in three years and now registers only 48 percent voter support. The PRI received 61.47 percent of the votes in the 1991 Federal

District election. The poll was conducted between 13 and 17 May following the public debate between presidential candidates Zedillo, Fernandez de Cevallos, and Cardenas. Results show the PRI would get 48 percent of the votes; the National Action Party [PAN], 26 percent; the PRD, 9 percent; the Labor Party [PT], 1.48 percent; the Mexican Green Ecologist Party [PVEM], 0.84 percent; the Popular Socialist Party [PPS], 0.71 percent; the Cardenist Front for National Reconstruction Party [PFCRN], 0.32 percent; and the Authentic Party of the Mexican Revolution [PARM] and the National Opposition Union [UNO], 0.26 percent each. Only 2 percent of those polled indicated they would not vote, and 11 percent declined to respond. Polled on personal versus party appeal, the results varied slightly: PRI presidential candidate Ernesto Zedillo would get 49 percent of the votes; PAN candidate Diego Fernandez de Cevallos, 26 percent; PRD candidate Cuauhtemoc Cardenas, 11 percent; PFCRN candidate Rafael Aguilar Talamantes and PT candidate Cecilia Soto, 2 percent each; and UNO candidate Pablo Emilio Madero, 1 percent. (Madrid EFE in Spanish 1816 GMT 9 Jun 94)

PRI candidate Ernesto Zedillo visited a Mexico City railroad station and received an enthusiastic welcome from workers, whom he promised he would give an unprecedented boost to rail transportation and improve living conditions for railroad workers. Zedillo said the only acceptable government is that which is based on valid elections, adding that he was sure "the people would disregard any call to attack institutional rule and the social tranquillity and unity of Mexicans." Zedillo later met with small and medium business representatives, who listened with interest to the PRI economic platform. (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

Diego Fernandez de Cevallos, PAN presidential candidate, said that although the failure to reach a peace agreement in Chiapas is disturbing, it is important that the cease-fire be maintained and that the two parties remain willing to continue talks. (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

Cuauhtemoc Cardenas Solorzano, PRD presidential candidate, said in Ciudad Juarez, Chihuahua State, that the failure of the government and of the armed groups in Chiapas to reach a peace agreement should not affect the 21 August elections, nor should it create an atmosphere of instability in the country. Cardenas later met with businessmen in Ciudad Juarez and told them it was necessary to broaden the jurisdiction of state and national human rights groups by extending "their purview to political and labor rights to give greater protection to the rights of all citizens according to the Constitution and the laws." (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

PARM presidential candidate Alvaro Perez Trevino said during the second day of a campaign tour through Zacatecas that a 70-percent voter turnout would be a genuine representation of Mexican citizens in the presidential elections. Trevino was to meet with the university's law school students, but the meeting was canceled due to poor attendance. (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

Referring to the Zapatist National Liberation Army's (EZLN) rejection of the Chiapas peace proposal in Veracruz, PT presidential candidate Cecilia Soto said that "a more precarious peace now exists." She proposed the creation of a secretariat for women to protect women in the labor and legal fields. Soto met with PT party leaders and supporters in Veracruz. (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

Jorge Gonzalez Torres, PVEM presidential candidate, arrived in Oaxaca on 13 June to begin a 10-day tour of Indian communities in the Mizteca and coastal areas and on the Isthmus of Tehuantepec. Speaking of his commitment to the underprivileged classes in Mexico, Gonzales Torres said the issue is not just "drug trafficking but also includes poverty and the abandonment of peasants and the poor." (Mexico City XEW Television Network in Spanish 0430 GMT 14 Jun 94)

Asked about the recent events in Chiapas, PAN presidential candidate Diego Fernandez de Cevallos said the least the presidential candidates can do is show prudence and not assume opportunistic positions. He said he was not surprised by the EZLN's rejection of the proposal because it was obvious when the document was released that it would be rejected by the guerrilla group. The government's reply to the EZLN was not clear, Fernandez de Cevallos said. He recalled that Subcommander Marcos recently said that EZLN members felt deceived, "but fortunately they said they will not renew the violence." Fernandez de Cevallos said the EZLN insists on further negotiations and wants a new, prudent, and honest effort. He added that the candidates must assume "very delicate" positions. Fernandez de Cevallos said candidates could and should express their opinions on the issue, but warned that any proposal urging the EZLN or the government to take specific action could easily be viewed as opportunistic. (Mexico City LA JORNADA in Spanish 14 Jun 94 p 5)

Cuauhtemoc Cardenas, National Democratic Alliance (ADN) presidential candidate, told those who favor the postponement or cancellation of the elections that he will demand that the elections be held on 21 August as scheduled. During a visit to the Autonomous University of Ciudad Juarez (UACJ), Cardenas also asked the government and the EZLN to renew negotiations and establish conditions for a lasting peace as soon as possible.

Cardenas added that the ADN would work within the law and also demand that the law be respected and that the votes be counted fairly. During a morning news conference, he said he did not believe the EZLN announcement rejecting the government offer would affect the upcoming elections. He said the government

must seek solutions to local, state, and national issues raised by the EZLN, such as how the government can guarantee clean elections and improve health and education. Cardenas said PRI candidate Zedillo's question to Peace Commissioner Manuel Luis Camacho—Why has the peace effort failed?—was directed at the wrong person. "The question should be asked of President Salinas de Gortari," Cardenas said, adding that the recent car bombing incident in Guadalajara "is evidence of the social disintegration caused by the current government." (Mexico City LA JORNADA in Spanish 14 Jun 94 p 6)

El Salvador

Two Arrested in First Ever Heroin Case

PA1906220694 San Salvador EL DIARIO DE HOY in Spanish 16 Jun 94 p 21

[Text] Two people were arrested for possession of "capsules" of heroin, a case considered the first of this type in El Salvador.

Juan Ernesto Vaengas Henriquez, 42, and Adrian Antonio Rodas Guevara, 46, were arrested by the Narcotics Division of the National Civilian Police and are accused of transporting 48 white, powdered pills encased in plastic. Upon analysis, these pills were determined to be heroin.

The gross weight is estimated at 246.8 grams with an estimated street value of 129,579 colones.

According to the police report, the arrest was made on 13 June when the individuals were traveling by motorcycle, license plate No. M-25-171, down 79th Avenida Norte in the western neighborhood of Escalon.

The police claim that the two had said they were involved in drug trafficking and that international drug traffickers had delivered to them the confiscated packages to be marketed in the country.

Meanwhile, the detained have denied the charges, saying "they never had anything to do with that type of business."

Venegas has said he was an unemployed driver. He had on him almost 300 colones when the seizure was made.

Rodas Guevara, who has held several jobs, a resident of San Bartolo, Ilopango, had 30 colones in cash on him at the time of arrest. Both individuals were placed at the disposal of the 5th Penal Court of San Salvador.

According to chemists, heroin is a drug stronger than cocaine and is priced at an estimated $60 per gram as opposed to $25 per gram for cocaine.

The main laboratories for the production of heroin in Latin America are found in underground operations in Mexico, some in Guatemala, and lately some in Colombia. The drug is extracted from the plant know as the poppy through very sophisticated procedures. Addicts use it through injections, diluted in water, or in special liquids.

This is the first time, as we stated, heroin has been uncovered in Salvador.

Guatemala

De Leon: Summit Strengthened Central American Bloc

PA2006204394 Panama City ACAN in Spanish 1206 GMT 17 Jun 94

[Text] Guatemala City, 17 Jun (ACAN-EFE)—On Thursday, Guatemalan President Ramiro de Leon Carpio stressed that the strengthening of the Central American bloc was the most significant achievement of this week's Fourth Ibero-American Summit in Colombia.

When he returned to Guatemala, De Leon told the press that the six countries agreed that in the future there will be no bilateral negotiations, except in very special cases, because from now on everything will be done as a single bloc. In discussing specific achievements, he mentioned the capitalization of the Central American Bank of Economic Integration (BCIE) with the support of Argentina (which will contribute $70 million), while Colombia and Venezuela are awaiting final approval of contributions of $70 million and $122 million, respectively.

The Central American presidents also met with the leaders of Chile, Spain, and Mexico, but they had to cancel their meeting with Brazilian counterpart Itamar Franco, who had to leave early. Mexico is already an extra-regional partner which has contributed $122 million to the region.

De Leon said the Central American bloc was looking for $700 million to strengthen "our financial arm" and to carry out the region's Alliance for Sustainable Development project.

Nicaragua

Foreign Ministry Views Cuban OAS Reinstatement

PA2106023294 Managua LA PRENSA in Spanish 16 Jun 94 p 2

[Text] The Nicaraguan Foreign Relations Ministry Information and Communications Directorate has clarified the Nicaraguan Government's position on the possible return of Cuba to the OAS and on the U.S. embargo of that island. An AFP news dispatch, which was published by BARRICADA on 15 June 1994, addressed those issues and took statements made by Deputy Foreign Minister Dr. Jose Pallais out of context, presenting an incomplete picture.

Acting Foreign Minister Dr. Jose Pallais, asked if Nicaragua supports Cuba's reinstatement to the OAS, told foreign correspondents in Nicaragua: "Nicaragua supports it, but Cuba must obviously show some willingness to adopt and share the changes that the inter-American system has experienced within the OAS and the principles and values that the OAS developed in the 1990's."

As for the embargo against Cuba, he stated: "Nicaragua, as all Latin American countries, and based on its own experience, does not believe that confrontation and

isolation help solve national problems. In Nicaragua we realized that confrontation, war, and embargoes do not work, but consensus, dialogue, and understanding do. Nicaragua and this government are the products of this dialogue. It is therefore logical that we cannot support practices that contradict what we have found to be successful in our country."

Jose Pallais added: "The embargo is a unilateral position of the United States. We do not believe in such measures, but it is a unilateral decision of the United States, and the rest will have to be debated at the OAS. Of course, the OAS has changed a lot since Cuba was a member because it has reaffirmed the most important element of its identity; that is, democracy."

Costa Rican Boat Violation in Pacific Protested

PA2006195294 Managua Radio Sandino in Spanish 1200 GMT 20 Jun 94

[Report on a statement by Foreign Minister Ernesto Leal in response to a fishing boat incident in Nicaraguan waters in the Pacific Ocean with a patrol boat of the Costa Rican Navy; from the "Events" newscast]

[Text] [Begin Leal recording] We have no explanation to give. We uphold the position this incident is totally unacceptable and is even more unacceptable now that the presidents, with a clear, political willingness, have decided on the procedure to follow concerning the incursions in territorial waters of another nation.

In this case, the report I have from our Navy is that the fishing boat was in Nicaraguan waters, and, subsequently, there was a violation of our sovereignty. This is an incident that seriously reflects a lack of information. This boat was undoubtedly in Nicaraguan waters.

We consider this a hostile action by the Costa Rican C-105 patrol boat. This is the second time this patrol boat has been involved in this type of action. We had a problem with that same Costa Rica patrol boat the last time

Our Navy acted as it should, with great caution. One person, Seaman Benito Quintanilla, was wounded. We have not presented our protest to the Costa Rican authorities. We demand, however, an immediate meeting, because this situation must end. This type of situation should never happen again. We want this patrol boat to be investigated. We have had problems with that patrol boat several times.

We have contacted the Costa Rican authorities, and we will hold a meeting as soon as possible to clarify this type of problem once and for all. [end recording]

The foreign minister has said no official reply has been received yet from the Costa Rican Government, which is engaged in an ongoing investigation of the incident.

[Panama City ACAN in Spanish at 1919 GMT on 18 June reports: "Following a shoot-out in its waters of the Pacific Ocean, the Nicaraguan Naval Coast Guard today rescued the 'No Solar,' a Spanish shrimping vessel that was confiscated by a Costa Rican Government vessel, a spokesman for the Sandinist Army has reported."]

Lacayo Announces Expansion of Fleet To Guard Coasts

PA2006221994 Managua EL NUEVO DIARIO in Spanish 12 Jun 94 p 8

[Text] Presidency Minister Antonio Lacayo announced yesterday that the military naval fleet will be expanded to "guard our seas and coasts" from smugglers, pirates, and drug traffickers.

The announcement was made during a meeting with representatives of the fishing, business, labor, livestock, and transportation sectors, as well as the mayors of the Northern Atlantic Autonomous Region [RAAN]. During the meeting held at the National Technological Institute installations in Puerto Cabezas, Minister Lacayo responded to concerns voiced by representatives of the Moravian and Adventist Churches regarding the drug problem, which is affecting the area's population, especially youths.

Lacayo's decision triggered thunderous applause from attendees at the meeting, which was held following a private meeting between Lacayo and delegates of government institutions in the RAAN.

This meeting, which was closed by Governor Marcos Hoppenton, was followed by another meeting between Lacayo and representatives of all active sectors in the RAAN.

Not only did the mayors of Waspan, Bonanza, and Prinzapolka express the needs of their communities, but they also pointed out the achievements of the government of President Violeta Chamorro.

Reverend Cantol Taylor and Reverend Salomon Espinoza, representatives of the Moravian and the Adventist Churches, respectively, not only gave their blessings to the leaders of the country, but also recommended that unity, reconciliation, and love be promoted to help the country survive. Rev. Taylor also gave thanks for the good relations the Chamorro Government has promoted with his church.

The Challenges

The representative of the Association of Indian Women, who spoke on behalf of some 4,000 organized women, also spoke at the meeting, which was attended by 350 delegates.

Meanwhile, Lacayo—after listening to the concerns of the participants—noted that the government likes challenges because they force it to redouble its efforts, thus allowing for changes to be made in Nicaragua. As for this last aspect, he mentioned the disarmament of armed

groups; the transition from an authoritarian and autocratic government to one that respects constitutional and human rights; and the transition from a war-oriented to a development-oriented economy. Lacayo mentioned the return of many Nicaraguans—many of whom were originally from the RAAN—who were exiled to Honduras as one of the changes experienced since 1990.

Lacayo explained the reasons why the Enhanced Structural Adjustment Facility was signed with the IMF. He indicated that one of the reasons is to continue growing and to increase foreign investment in Nicaragua. He cited such specific cases as Taiwanese investment in the Intercontinental Hotel; Russian investment in geothermia; Swiss investment in NICALIT [expansion unknown]; and Honduran investment in the Sebaco Valley.

Road Improvement

He stated that as a result of elections in the RAAN, representatives of the central government and the regional government, religious leaders, cooperative members, and mayors had been able to attend the meeting. He briefed attendants on the projects that are being implemented this year in various areas. He said that improvements are being made on the road that joins the Nicaraguan Atlantic and Pacific areas, and that funds are being increased for credit and grain collection purposes. The first allocation will be 12.7 million cordobas; 5.4 million for the livestock sector; 3 million for the business sector; another 3 million for the fishing sector; and 300,000 cordobas to reactivate silos to store basic grains.

Lacayo—who was accompanied by several cabinet members—announced that in 1994, 20 million cordobas will be allocated for works by the Emergency Fund for Social Investments [FISE], the Nicaraguan Institute of Municipal Development, and the Social Action Ministry. Only in the RAAN, the FISE-AID program will invest 18 million cordobas to build schools and health centers, and to buy desks.

Meanwhile, Education Minister Humberto Belli announced that the Grand Duchy of Luxembourg donated $1 million to build two teachers' schools, one in Bluefields and another in Puerto Cabezas. A visit by Prince William, son of the Grand Duke, is scheduled for the coming weeks.

Financial Bodies Pledge $150 Million in Aid

PA2006224994 Mexico City NOTIMEX in Spanish 1346 GMT 17 Jun 94

[Text] Paris, 17 Jun (NOTIMEX)—The international community and the world financial organizations today committed themselves to delivering $150 million to Nicaragua during the 1994-95 period to consolidate the peace process and promote economic development.

The Advisory Group for Nicaragua said the two $75-million financial aid installments for 1994 and 1995 will be used to boost the economic development of that Central American nation.

At the conclusion of a two-day, closed-door meeting, Edilberto Segura, World Bank director for Mexico, Central America, and Panama, remarked on Nicaragua's democratic progress in 1993.

The donor countries asked the Nicaraguan Government to focus on fighting poverty, reducing the foreign debt, modernizing the public sector, and settling property disputes.

Mark Schneider, deputy director of the U.S. Agency for International Development's Latin American and Caribbean division, said: "The poorest of the poor must be the main beneficiaries of this financial aid."

The World Bank said the main challenge for Latin America "is to promote and sustain balanced growth while maintaining economic stability in view of possible reductions in international financial aid."

Nicaraguan Presidency Minister Antonio Lacayo, who headed the Nicaraguan delegation, said "the only war we can wage now is a war on poverty," adding that "the armed conflict, totalitarianism, and backwardness must be left behind."

The government official asked the World Bank and the IMF to expedite their disbursements and increase their co-financing. Lacayo emphasized that it is necessary for them to provide $60 million annually to increase funds to invest in rural production, especially small-scale production.

The Advisory Group meeting took place at the Paris World Bank quarters and was attended by delegates from Germany, Austria, Canada, Denmark, Finland, France, the Netherlands, Italy, Japan, Luxembourg, and Mexico. Representatives from Sweden, Switzerland, Spain, the United States, and Venezuela were also present, as were World Bank and IMF officials.

The Pan-American Health Organization, UNICEF, the OECD, and the International Agricultural Development Fund also attended the meeting.

Panama

Haitians To Receive 'Special Treatment' After 26 Jun

PA2106034094 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Jun 94 p A1

[Report by Esteban Huertas G.]

[Text] Immigration Department Director Antonio Dominguez said yesterday "400 Haitians who are in the

country on tourist visas" will receive special treatment "when commercial flights" to that Caribbean island "are suspended."

Dominguez said Haitians who are in the national territory after 26 June—the date on which the suspension of commercial flights to Haiti begins—"will not be classified as political refugees" because they entered the country as tourists.

Dominguez asserted that among other mechanisms the Immigration Directorate may implement regarding the Haitians, "it is scheduling a charter flight to return the Haitians to Haiti" if the crisis in that former French colony is not resolved.

The Immigration Department director revealed that "Haitians wishing to enter Panama must have an authorized visa, which has been suspended for citizens of that Caribbean nation."

According to Dominguez, "visas are only being given to Haitians who reside in the United States to come to Panama for three days to purchase merchandise."

Finally, Immigration Director Antonio Dominguez remarked "this situation will affect Panamanian companies which do business with Haitians."

Chamber of Commerce Opposes Copyright Bill

PA2006205894 Panama City EL PANAMA AMERICA in Spanish 18 Jun 94 p 3A

[Report by Carlos Vargas]

[Text] The Panamanian Chamber of Commerce, Industries, and Agriculture is asking the Legislative Assembly to reject the copyright bill because it threatens the stability of companies and the media.

In a letter sent to the president of the Legislative Assembly, the Panamanian Chamber of Commerce asked for the rejection of the bill as approved in a first debate by the Education Committee, and it called for modifications presented by the Panamanian Broadcasting Association (APR) and the Panamanian Radio Chamber. The APR also sent a letter to the assembly's Board of Directors asking for a rejection of the copyright bill because it contains regulations that violate freedom of speech and threaten the economic stability of radio stations. Meanwhile, the Education Committee, which asked for the approval of the bill in its second and third debates, said the bill takes steps to protect all types of literary, artistic, and scientific works in light of the fact that author rights constitute the basic foundation for stimulating national creativity. The commission said another reason for endorsing the bill was Panama's current position in the international community, because Panama has signed a number of agreements requiring it to protect national works.

Comptroller General Rejects Possible Debt Moratorium

PA2006213394 Panama City EL PANAMA AMERICA in Spanish 17 Jun 94 p 1a

[Article by Carlos Vargas]

[Text] Comptroller General Jose Chen Barria yesterday rejected the possibility that the government would declare a national foreign debt moratorium to face the consequences of the 1994 budget cuts totalling $198 million.

The comptroller general made his statement before the legislature's Budget Commission after Christian Democratic Party legislator Gabriel Arosemena asked him about the possibility that the government would declare a national moratorium to delay payments to the IFIS [international financial institutions] and would use those funds to compensate for the budget cuts.

Chen Barria emphatically denied such steps would be taken and he warned a national moratorium declaration would result in worse conditions than those trying to be resolved with the budget cuts.

The comptroller general indicated that 37 cents of every dollar that enters the public treasury is earmarked for IFIS payments. Chen Barria warned that Panama is a country which needs foreign credits to make investments because it cannot accomplish much with its internal savings.

The comptroller general met with members of the legislative commission to evaluate the consequences of the budget cuts that were made as a result of the delay in disbursements by the IFIS. The disbursements were delayed because Panama has not met the IFI's demands.

After reaching an agreement with the comptroller general, the budget commission decided to suspend a move to reject the budget cuts until a meeting with ministers and other cabinet members is held.

Legislators will meet with members of the executive branch to seek alternatives to save some investment projects in the districts, a sector which suffered a drastic $46.5 million cutback.

Chen Barria said the legislators should first establish which district projects are most important and then meet with ministers and agency directors to determine if they can make adjustments within their remaining budget to carry out some of these district projects.

Doubts About Antidrug Fight Said 'Justified'

PA2106001294 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Jun 94 p 1a

[Article by Euclides M. Corro R.]

[Text] Panama's credibility and good intentions in the fight against drug trafficking are being questioned internationally due to the indifference of the National Assembly, which for all practical purposes will be unable to hold a third debate on the reforms to Law no. 23 of the Penal Code.

Despite the efforts of the public prosecutor's office, the opinion held by U.S. agencies—that Panama is not complying with its international commitment against drug trafficking—is being justified.

Attorney General Jorge Ramon Valdes deplored the situation in a statement to LA ESTRELLA DE PANAMA and he said that "one cannot fight against drug trafficking without the necessary legal instruments."

Valdes added that the skepticism—mainly on the part of the United States—concerning Panama's will to meet in earnest its commitments to various agencies throughout the world is understandable.

On 11 April, a bill to reform the law, which dates back to 30 December 1986, was submitted for a second debate. Among the reforms being considered is the creation of two prosecutor offices specializing in drug-related crimes.

The prosecutor offices will have authority and jurisdiction throughout Panama. The reforms also would permit the use of a legal framework for adequate procedures to be used in the fight against drug trafficking, such as undercover operations and drug exchange surveillance.

All indications are that with the end of the regular session of the legislative assembly only 15 days away, it will be almost impossible to discuss the bill, which would amend the current law to conform with the Vienna Convention.

We should mention this reform is the same one Panama presented before the OAS, the UN, and other agencies dedicated to the fight against drugs.

On 9 March, during the 15th ordinary session of the OAS Interamerican Commission for the Control and Against the Abuse of Drugs, which was held in Argentina, Attorney General Ramon Valdes, speaking on behalf of Panama, promised to take action in that respect.

Banking Association Discusses Money Laundering

PA2006200994 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Jun 94 p A9

[Statement by the Panamanian Banking Association outlining its position on money laundering; place and date not given]

[Text]**Why We Should Struggle Against Money Laundering**

Money is of vital importance for all legitimate trade and industrial activity, but it is even more important for criminal activity. The constant flow of illegally obtained money through the international banking and financial systems is fundamental for criminal organizations as a means of obtaining funds necessary for financing their operations and providing new capital for their expansion. Therefore, the interruption of the flow of money to criminal organizations is of utmost importance in weakening and eventually eradicating them. The illegal and criminal nature of money laundering is the main reason why the Republic of Panama, its government, and its people should decidedly combat money laundering. In addition, an analysis of the methods through which criminal organizations gradually take over a nation's economy shows that this struggle is an urgent necessity in safeguarding the future of our nation.

This is the danger that looms over Panama and how it could occur:

1. **Infiltration in legitimate companies.** Criminals and drug traffickers, in particular, manage their businesses as large corporations. The only difference between these illegal operations and legitimate ones is that the illegal operations have an enormous competitive advantage: They do not obey any law. This advantage, in addition to their international contacts and vast financial and coercive power, allows them to acquire legitimate companies which are then used to conceal illegal operations. In this way, they gradually infiltrate every sector of the economy.

2. **Concentration of economic power.** The gradual subjection of legitimate companies in key sectors of the economy, along with the great amount of illegally earned capital that can be used to expand illicit operations, creates a concentration of economic power that subsequently can spill into other investments and economic sectors. Eventually, these might infiltrate political and government circles, and this would have serious implications for the nation's future security and its political and moral stability.

3. **Money laundering as an ill-fated function in the economy.** The final stage of money laundering is reached when illegally earned capital replaces domestic and foreign investment in funding economic expansion. At the same time, this surreptitiously harms the very foundations of the banking sector, the stock exchange, and the financial system. The risk of this happening is especially high in an economy such as Panama's—one that lacks resources and, in turn, is eager for investments.

Corporations, Money, the Banking System, and the Free Zone:

Given its geographic location and the configuration and extension of its territory, Panama has historically been a center of trade and transit. Although growth can be obtained in other areas, it is unlikely that Panama will turn into an agricultural, mining, or manufacturing power. Our greatest development potential in the immediate future seems to be in the sustained growth of maritime and tourism services while maintaining a

healthy monetary infrastructure in banking and international trade. As a result, services have been identified as our best natural means of encouraging the nation's economic growth.

Our service economy is based on our geographic location and the Panama Canal. In addition to this, Panama features four areas that are essential for today's service economy but, at the same time, are also threatened in various ways:

—the Law on Corporations, which was approved in 1927;
—the monetary system, which dates back to 1904;
—the banking system, which was created in 1970;
—and the Colon Free Zone, which was organized in 1946.

The threats facing these four areas of our service economy stem from two sources:

—from some sectors of the international community aimed at limiting their effectiveness and ending their existence;
—attempts by criminal organizations to use these areas to benefit their illegal activities.

It is obvious that Panama did not create these institutions to have them used for criminal activities. This is why Panama has the obligation to improve, control more efficiently, and finally defend these institutions to enable them to continue being useful for honest businessmen in an economy that is fundamentally service-based and whose structure will not change dramatically for a long time.

Evaluation of Achievements

Drug traffickers and other criminal organizations use incredibly advanced techniques and employ professionals with broad knowledge of banking and financial affairs, with access to the latest technologies of electronic banking and instant communications to conduct operations beyond national borders. Therefore, international cooperation is imperative to prepare and coordinate measures that will make possible an effective struggle against money laundering.

As part of these efforts, the 1989 Economic Summit created the Financial Action Task Force, better known by its English acronym FATF, formed originally by 26 countries that are sites of financial centers. Panama subsequently joined it as a member of the Caribbean subgroup. In May 1990, the FATF adopted 40 recommendations on measures to counter money laundering, based on the 1988 Vienna Convention. Fulfillment or adoption of these 40 recommendations currently constitutes the best means to evaluate progress in these struggles, and, in fact, in April 1991 the member countries agreed that their comparative progress in this regard will be evaluated by experts from the group. In Panama's case, an objective evaluation reviewing these recommendations and other facts would reveal the following:

1. Panama ratified the Vienna Convention in December 1993 and is in the process of implementing those articles that are not included in Panamanian legislation. (Recommendation No. 1)..

2. Panama's banking confidentiality laws do not involve absolute secrecy as it is made to appear to locals and foreigners. Panamanian laws unquestionably permit authorities access to confidential information through the proper judicial institutions in the presence of suspicious criminal activity. (Recommendation No. 2)

3. Panama accepts international assistance and coordination against criminal activities, as can be confirmed by the recent mutual legal assistance treaties negotiated with the United Kingdom, Colombia, Canada, and Central America and the initial negotiations with Mexico. In July 1991, Panama ratified a similar treaty with the United States, which has yet to ratify it. (Recommendation No. 3)

4. Through Law No. 23 of 1986, Panama defined as a crime the improper use of banking transactions. In addition to the criminal liability that this crime entails, Law No. 23 also establishes the civil liability of the individual or his employer. In addition to the transactions made in Panama, this definition also includes those originating in Panama and perfected abroad, with knowledge, through an individual or intervening person. Finally, Law No. 23 and its reforms will permit the seizure and confiscation of assets or instruments related to the criminal action. (Recommendations Nos. 4 and 5)

5. There is no official agency with sufficient authority and responsibility to define, coordinate, and implement actions against money laundering. The vacuum caused by the absence of such an agency cannot currently be filled by the National Banking Commission because of legal, technical, and budgetary limitations. This constitutes one of the most serious limitations Panama has in the struggle against laundering. (Recommendations Nos. 9-11)

6. Cabinet Decree No. 41 of February 1990 establishes as an obligation the identification of the client and registration of transactions in cash and negotiable instruments. This decree is the source of authority that permitted the National Banking Commission to issue Resolutions Nos. 5-90 and 1-91 regulating the banks' obligation to know their clients and maintain a registry of transactions in cash and negotiable payment instruments. Unfortunately, the National Banking Commission does not have the resources to create an automatized database to adequately handle this information. (Recommendations Nos. 12-14)

7. Decree No. 41 and the relevant resolutions do not explicitly address the problem of complex or uncommon transactions or the topic of patterns or trends of infrequent or unusual transactions. Decree No. 41 also does not address the banks' responsibility to investigate these types of transactions to establish their origin or purpose. (Recommendation No. 15)

8. Regarding dubious transactions, the Penal Code stipulates that banks and their employees are required to tell the relevant authorities about them under penalty of harboring criminal activities. However, there is no legal precedent in Panamanian courts that protects the institution or its employees from civil or criminal responsibility for violating banking secrecy laws in these cases. In addition, in terms of suspicious activities, no law requires that banks terminate their relation with the client. Finally, no legal precept requires banks to implement procedures including controls, screening procedures, policies, and training and internal audit programs against money laundering. This lack of clear guidelines on the policies banks should adopt to prevent domestic or international money laundering curtails the confidence with which banks can act regarding compliance with their legal obligations against money laundering. (Recommendation Nos. 16-22)

9. Panama has implemented additional measures to avert money laundering, including the cash transactions declaration and the internal promotion of alternative forms of payment such as checks, credit cards, direct deposits of salaries, and other transactions that replace the use of cash. However, although Decree 41 requires that transactions larger than $10,000 must be registered, it does not include electronic international transfers, nor does it require the creation of a national data bank operating under a separate government agency that guarantees its proper use. (Recommendation Nos. 23-25)

10. Panama has not sufficiently strengthened the role of the National Banking Commission as a coordinating organization to prevent and investigate money laundering since the National Banking Commission does not extend its controls to other institutions that manage considerable amounts of money such as casinos, money-changing offices, and transfer agencies. The National Banking Commission lacks the resources and the authority to introduce, in all banks, adequate programs to prevent money laundering or measures to detect any suspicious behavior by clients. The National Banking Commission does have and does exercise the authority to prevent criminal parties from owning a majority of stocks in banking institutions. (Recommendation Nos. 26-29)

11. As for the strengthening of international cooperation efforts against money laundering, Panama has showed willingness to participate at both the bilateral and multilateral levels within its current legal parameters and financial limitations. The exchange of general information by relevant authorities, except areas related to dubious transactions, cooperation between judicial and legal authorities, and mutual assistance in investigations through the corresponding legal and diplomatic means, should improve as bilateral agreements come into force. (Recommendation Nos. 30-40)

As part of an objective evaluation, actions by the Panama Banking Association that reinforce or complement achievements by the national government should not be downplayed. A brief list of these actions reveals that this Banking Association adopted in 1984, through an interbanking agreement, the Code of Conduct on Banking Operations, which was reformed in 1985 and 1986; joined in 1989 the Declaration of Principles of the International Bank for Clearing House Activities in Basel, Switzerland; prepared in 1992 and updated in 1993 a guideline for banks to prevent the improper use of their services; conducted in 1992 and 1993 training and information seminars on preventing money laundering jointly with authorities of the Treasury Department, Justice Department, DEA [Drug Enforcement Administraiton], Financial Crime Enforcement Network, and U.S. Postal Service; conducted jointly with the National Banking Commission in 1992 and 1993 a study to establish, as was done, consistency between the information on cashflows and the remittances of excess cash to the U.S. Federal Reserve; adopted in March 1993 Interbanking Agreement No. 28, which determines the order of endorsements on checks and facilitates audits thereof; adopted in June 1993 Interbanking Agreement No. 29, which regulates the acceptance of alternate documents for negotiable payment and the criteria to send and receive remittances of bank transfers.

Recommendations

Additional measures that the Panamanian public sector as well as the private sector should take to combat money laundering must result from Panamanian analysis—an analysis that must take place within the domestic arena, while maintaining cooperation with other nations. This analysis should focus on what is needed to help us wage an efficient struggle against money laundering. This analysis should also result from our philosophical conviction that this struggle is ethical, moral, and economically prudent for Panama.

In terms of its internal policies, the Panama Banking Association proposes:

1. to bring up to date its Code of Conduct on Banking Operations;
2. to improve, wherever possible, the "Guide for Banks To Prevent the Misuse of Services" [Guia a los Bancos Para Prevenir el Uso Indebido de Sus Servicios];
3. to defend our customers' rights to confidentiality in legitimate business transactions, as provided for under our legislation;
4. and to combat the abuse of confidentially by organizations or individuals devoted to criminal activity.

The Panama Banking Association recommends to Panama's executive, legislative, and judicial powers:
1. The creation of a working group with a mandate to design a national policy against money laundering; this working group should comprise representatives of the Attorney General's Office, the National Banking Commission, and the Legislative Assembly's Drug Commission.
2. The endowing of the National Banking Commission with the technical, legal, and budgetary resources to

carry out the integration, execution, and coordination of a national policy to prevent money laundering.
3. The prompt issuance of legal documents to implement the guidelines of the Vienna Convention and the FATF with regard to the banks' obligation to:
3.1. register all international and local transactions in a logbook subject to revision by the Banking Commission;
3.2. rigorously investigate the origin and destination of intricate and unusual transactions;
3.3. report to the authorities suspicious transactions, safeguarding civil obligations concerning confidentiality;
3.4. implement in bank procedures and policies to prevent money laundering, training programs that impart to employees a thorough knowledge of internal auditing procedures, and programs to guarantee the fulfillment of these procedures; this duty would fall under the auspices of a high-ranking officer specifically designated to carry out these tasks;
3.5. register stock market transactions or securities deals that are unusual or suspicious in nature, subjecting them to revision by the Banking Commission.
4. The inclusion within the authority of the Banking Commission additional powers to prevent money laundering; the power to review the flow of funds from casinos, exchange houses, and money transfer agencies; and the power to enforce the obligation of these institutions to report such cashflows to the National Banking Commission.
5. The creation, as soon as possible, of an official data bank under the Banking Commission's control and administration to secure, compare, and analyze the information outlined in Cabinet Decree 41 of 13 February 1990 and Cabinet Decree 10 of 9 March 1994. This includes any other information—to be furnished upon request—regarding cash transactions, negotiable documents, securities, or transfers made through electronic or magnetic media.
6. An agreement on the Mutual Legal Assistance Treaty [MLAT] to strengthen and broaden Panama's participation in the struggle against money laundering and the speedy ratification of the MLAT by the relevant institutions.
7. The adoption of a doctrine or a group of principles that oppose money laundering and emphasize systematic, continuous, and dynamic preventative action instead of focusing on how best to deal with crimes already committed. In addition, such a doctrine should protect our irreplaceable service economy and Panama's good name and image.

Conclusion

In conclusion, the Banking Association wants to acknowledge that in Panama, as well as in many other friendly nations, the problem of money laundering is a reality. In addition, it wants to signal that the problem of money laundering is constantly changing and remains extremely dynamic in terms of criminal creativity and resources available to criminals who constantly modify and invent new money laundering techniques, thereby making current preventive actions ineffective. The struggle against money laundering requires constant surveillance, quick action, and close international coordination and cooperation to remain in step with the criminals and to avoid losing the battle. Above all else, the struggle requires knowledge, commitment, and the willingness of the state and all national sectors to achieve final victory.

Argentina

Menem Inaugurates Nuclear Plant, Condemns DPRK

PY2106130394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1821 GMT 17 Jun 94

[Text] Buenos Aires, 17 Jun (NA)—President Carlos Menem on 17 June implicitly condemned North Korea's position of keeping its nuclear program secret. He said: "The largest world powers are making a considerable effort to prevent a small country from causing a true holocaust on the planet."

Without mentioning the Asian country, Menem said: "It is a small country, which went practically unnoticed in the past few years, that has embarked on intensive development of nuclear energy, and has obviously built atomic bombs that can cause grave damage to the planet."

The president emphasized: "We Argentines work for life while others work for death."

Menem made these remarks during the inauguration and beginning of operation of the plant for cyclotron-produced radioisotopes for medical use [planta de produccion de ciclotron de radioisotopos de uso medico] in the Ezeiza Atomic Center.

The plant has state-of-the-art German equipment and will permit the manufacturing of products vital in modern medicine. It will reduce costs and permit the use of these products in hospitals located far from urban centers. Radioisotopes are radioactive atoms with a nucleus with a different mass. Their use in improving living conditions is increasingly diverse. They are useful in increasing the yield of vegetables, preserving food, sterilizing medical products, conducting hormone analysis, using X-ray tubes in the control of industrial processes, or studying environmental contamination.

Menem was accompanied by Manuel Mondino, head of the National Commission for Atomic Energy (CNEA), and Buenos Aires Production Minister Carlos Brown and Public Works Minister Hugo Toledo.

Menem made a list of CNEA achievements and then added that "some countries develop nuclear energy for death. We Argentines have been working for life ever since we began operating in this area 44 years ago, perhaps a little more, under the inspiration of General Juan Domingo Peron."

Menem added: "There are two countries with this type of development in the Southern Hemisphere: Australia and Argentina."

"When you work on atoms you realize that they can be used not only for medical purposes but also for production to improve all types of activities in rural areas such as agriculture and livestock or pest eradication and control. We work on these aspects here and we are at the same level as the world's other great countries."

Ex-Shining Path Members Enter Country Illegally

PY2106131394 Buenos Aires BUENOS AIRES HERALD in English 20 Jun 94 p 2

[Text] Santiago del Estero (DYN)—Eleven former members of Peru's Shining Path organization reportedly entered Argentina illegally and are traveling to Buenos Aires to file for residency as refugees.

The group's spokesman, Jorge Diaz Reategui, said that after defecting from the Maoist guerrilla organization, the 11 wended their way south with the assistance of international agencies including the United Nations.

"First we went to Ecuador and later Brazil and Colombia," said Diaz Reategui, "but those countries did not agree to accept us as refugees."

Diaz Reategui said he was a fighter with the group, known as Sendero Luminoso in Spanish, but had only participated in three conflicts.

The spokesman said the UN was supporting the former senderos in Argentina. He added that he had been detained by police in Tucuman for 10 days.

Bolivia

MIR, MNR Deny Accord To Modify Narcolinks Report

PY2006133594 La Paz HOY in Spanish 10 Jun 94 p 12

[Excerpt] The rumors spread during the past few days referring to alleged negotiations between the MNR [Nationalist Revolutionary Movement] and the MIR [Movement of the Revolutionary Left] were denied by the two parties' representatives, although with different arguments.

Communications Minister Ernesto Machicado, MIR Senator Gonzalo Valda, and MIR Deputy Hugo Carvajal said the version of the alleged agreement between the two parties, supposedly to "tone down" the report on "narcolinks" in exchange for support to sentence the Supreme Court justices, were mere rumors.

Carvajal believes the rumors spread by some MNR groups seek to discredit Constitutional Committee Chairman Edil Sandoval to force him and other deputies to act "aggressively" against the MIR.

Carvajal added: "An effort is being made for the purpose of demonstrating the existence of alleged negotiations, probably due to disagreements among some MNR groups that seek to discredit and disqualify the performance of Edil Sandoval, probably to prevent him from continuing to behave as objectively as he has done so far."

Carvajal said he believed that these rumors influence the rest of the committee members to act against the MIR to avoid speculation regarding the alleged negotiations.

The MIR deputy regretted the spreading of rumors on the performance of MIR senators in the impeachment process who, he asserted, "have conscientiously acknowledged the deputies' decision."

According to Carvajal, the MIR senators will vote according to their consciences "and nobody will be able to influence them." [passage omitted]

Clandestine Radio Stations Spreading

PY2006135194 Santa Cruz EL MUNDO in Spanish 7 Jun 94 p 10

[Text] The Santa Cruz Chamber of Private Communications Media sent a letter to Telecommunications Director General Raul Campero Paz in which it regrets the proliferation of clandestine radios in this department despite the expressed commitment of the director general, who on 18 May conveyed his decision to use "all legal and technical means to prevent the emergence of new stations disregarding the requirements that rule the national broadcasting system."

Enrique Roda Bush, chairman of the private communications media, referred to the creation and opening of radio "Amazonas 107.9 MHZ," which is already on the air in Santa Cruz. This proves that officials in the area have been overpowered in their effort to put an end to the operation of clandestine stations.

He demanded an order that should work to fulfill the law's provisions. Campero Paz two weeks ago said he would personally order the DITER [expansion unknown] regional agent to prevent broadcasting by Radio Creativa, which did not have anything, not even a copy of the license application request form.

He then reaffirmed his commitment to act in all cases that could emerge concerning radios that have not complied with the technical and legal reorganization of the radio broadcasting system.

Brazil

Army Minister Departs for Middle East, France

PY2006133894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 94 p A6

[From Cristiana Lobo's "Estadao" Column: "Trip"]

[Text] Army Minister Zenildo Lucena on 17 June will depart on a tour of France, Kuwait, the Arab Emirates, and Saudi Arabia.

In those four countries the minister will meet government officials and visit military equipment and materiel factories.

IDB President: Brazil To Receive $5 Billion

PY1706225194 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Jun 94 p 5

[Article by Lu Alko Otta]

[Excerpts] Inter-American Development Bank [IDB] President Enrique Iglesias yesterday said that over the next four years, Brazil will receive financial resources worth $5 billion. The announcement was made after a meeting with Planning Minister Beni Veras, with whom he discussed a timetable for releasing financial resources in 1994 and in 1995.

No priority project for the 1996/97 period was selected at yesterday's meeting. According to Iglesias, the Franco government preferred to leave the decision in the hands of the next administration, which will take power in January. [passage omitted]

Iglesias said the lack of Brazilian matching funds for the projects has caused no difficulties between the IDB and the federal government. According to Agencia Brasil, Iglesias and Planning Minister Beni Veras said that the only difficulties have to do with project management.

Iglesias said that projects worth $1.2 billion should be approved this year. This figure is higher than the $1 billion mark the government was expecting for this period. "This shows our confidence in the country," Iglesias said, praising the fact that the Real Plan was preceded by fiscal control measures. Says an IDB source: "They [not further identified] do not know much about the plan, but they have great expectations about stabilization; and wherever Brazil goes, Latin America will go."

Projects amounting to $1.4 billion are listed for 1995. Iglesias said that it is their intention to earmark 50 percent of these resources for social undertakings including improved health, sanitation, education, transportation, and infrastructure facilities. There are, however, other projects intended for strengthening the institutions such as one concerning the restructuring of the Federal Revenue Secretariat, which is expected to receive between $78 million and $80 million in 1995.

Iglesias also announced that the IDB will donate $20 million for projects involving assistance to street children in six cities: Sao Paulo, Belo Horizonte, Porto Alegre, Teresina, Salvador, and Recife. The money will be handed over to nongovernmental organizations (NGO's) operating in those cities. The donation will be approved by the IDB "board" on 29 June. He said: "This will be a pioneer project in Latin America and shows the direction the IDB is taking." [passage omitted]

Slow Loan Processes Harm Environmental Projects

PY1706155894 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Jun 94 p 18

[Article by Francisca Stella Faga datelined Sao Paulo]

[Text] The Brazilian Government has already spent more than $1 million preparing projects for the Amazon region to be financed under a pilot program of the G-7 countries—the seven most developed countries in the

world. Yet, the Rain Forest Trust Fund, which is administered by the World Bank, has not to date disbursed a single cent from the $1.5 billion promised by the G-7 in 1990.

This was one of the many examples cited yesterday in Sao Paulo by Sergio Amaral, chief of the Finance Ministry staff, who until recently served as the Environment Ministry's main coordinator of negotiations for financing environmental projects.

Amaral believes the long list of failures to use the resources committed by organizations like the World Bank and the G-7 shows "Brazil is perhaps not fully capable of taking advantage of the opportunities created in this field, which today ranks high on the international agenda," despite the fact it has "turned the pressure exerted against us into a political victory."

Commenting on the Amazon Pilot Program, Amaral noted that the problem does not lie only in the delay in disbursing the resources donated to the Brazilian Government, but in the fact that G-7 member countries have suspended their bilateral cooperation because they were already committed to the multilateral program. Brazil thus lost cooperation at bilateral level without being compensated through disbursements from the above fund. He said the World Bank has spent $500,000 from the trust fund in financing missions and in disseminating information on a program that still remains on paper.

The General Environment Facility (GEF)—which has been administered by the World Bank since 1990 and which finances projects to avoid global warming and to preserve biodiversity, international waters, and the ozone layer—should be another major source of resources. The GEF had $1.2 billion. It allocated $30 million to Brazil in 1991. During a lecture at the Institute for Advanced Studies at the University of Sao Paulo, Amaral noted that Brazil had submitted seven projects in 1993, but nothing has yet been disbursed.

No private donations have come to Brazil through the debt conversion mechanism, Amaral added. He noted that more than $80 million was rapidly obtained in Bolivia in this way. Brazil was slow in making this operation feasible and its legislation was inadequate, and so the value of debt bonds rose and nothing happened, he said.

Amaral cited as another failure the case of the National Environment Program (PNMA), which was created in 1990. Three years later, in December 1993, the PNMA had disbursed only $20.5 million of the $117 million promised by the World Bank.

Amaral blames these poor results largely on the way Brazilian political instability, the fiscal crisis, and inflation have affected international cooperation. Brazil has been unable to use many loans granted under advantageous conditions because the Treasury has not authorized the respective matching funds.

Amaral also charged that Brazilian Government organizations were not prepared to negotiate and absorb the volume of foreign resources that become available since the mid-1980's.

IBAMA [Brazilian Institute for the Environment and Renewable Natural Resources], which was created in 1989, has experienced a high managerial turnover: It had nine presidents in just four years. The Environment Secretariat, which later became the Environment Ministry, has had six different heads since 1992. IBAMA has not had trained teams either.

Amaral noted there has been poor planning, overambitious managers with unrealistic goals, imprecise projects, unrealistic deadlines, and extremely complex bureaucratic paperwork. One project involving environmental management and technology that would have received $25 million had to be discontinued because it was not possible to clearly define its objective.

Amaral believes the Brazilian Government was not the only one that made mistakes. He said: "The World Bank's technical teams markedly increased their demands, were counterproductive, and unduly interfered with the planning and implementation of projects."

He noted that in the case of the PNMA, the IBAMA director for ecosystems had to prepare seven different versions of an annual operations plan for conservation units to meet the World Bank's successive demands.

This delayed the program and discouraged the Ibama experts' team. To avoid canceling the bidding that those who were coordinating the program had prepared together with the World Bank, a manual on documents and standard procedures for the biddings was approved by the bank after several months of discussion. When tested for the first time in an international bidding for the purchase of informatics equipment, however, the procedures were rejected by the World Bank. To everyone's surprise, the bank preferred INCRA [National Land Reform and Settlement Institute] procedures.

Amaral said the experiment with the Pilot Program for the Amazon Region is even more frustrating. The World Bank, which is used to large projects, has been having difficulties in organizing small projects with the participation of the local people. Just as the negotiations are about to be concluded, new demands are frequently made and guidances modified during the negotiation process.

In a meeting held at the end of March in Brussels to evaluate the Pilot Program for the Amazon Region, the Brazilian Government did its best to show how these issues harmed the decisionmaking process. The World Bank reaction was positive, admitting that procedures should be expedited.

Police Seize $2 Million in Forged $100 Bills

PY1706014394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 94 p C6

[Article by Julio Ottoboni]

[Text] Sao Jose dos Campos—In Sao Jose dos Campos on 14 June, Sao Paulo Deic [Criminal Investigations Department] police arrested lawyer Geraldo Magela Gontijo, who was carrying counterfeit dollar bills worth $2.05 million. The bills, found in two bags at the lawyer's office, were printed in Ribeirao Preto. Police caught the lawyer after arresting print worker Ademir Ambrosio in Sao Miguel Paulista (Sao Paulo). Ambrosio confessed to the crime and revealed the place where some of the bills—of an $8 million order that was being printed—had been left.

Police were investigating the links between Gontijo and Ambrosio, who were interrogated early in the morning. Despite being caught red-handed, the lawyer denied the charges and said he was not the bills' owner. He is being held at the county prison. According to Ambrosio, the counterfeiting began four months ago. He was to have received 5 percent of the total. The bills, all $100 bills, were not finished.

Amorim Assesses Impact of GATT Agreement

94SM0364A Sao Paulo EXAME in Portuguese 11 May 94 pp 102-104

[Interview with Minister of Foreign Affairs Celso Luis Nunes Amorim by Nely Caixeta, during the first week of May 1994; place not given: "Market for Our Products Has Grown"]

[Text]**Ambassador Celso Luis Nunes Amorim took over the Ministry of Foreign Affairs 10 months ago at a crucial moment for any diplomat in a similar post. After nearly eight years of protracted talks involving more than 100 countries, the Uruguay Round—as the GATT negotiations were called—had finally ended. In the middle of last month, Amorim, 52, who is a native of Santos, Sao Paulo, a former president of Embrafilme [Brazilian Film Company], and a former head of Brazil's delegation to Geneva, put his signature on the concluding agreements of the Uruguay Round and the new World Trade Organization. The ceremony, which was held in Marrakech, Morocco, will have a guaranteed place in history if the liberalization of trade called for in the new order succeeds in achieving the promised revolution—a growth in world trade that may reach $700 billion per year. In Amorim's opinion, the new business opportunities for Brazil are exceptional. Regarded in the Ministry of Foreign Affairs as a firm negotiator, Amorim is alert to other challenges. A little over two months ago, for example, he put his capabilities to the test when he was able at the last minute to ward off trade sanctions that the United States was threatening to impose as a protest against the delay in approving the new Industrial Property Law. Last week he granted the following interview to EXAME.**

[Caixeta] What is Brazil gaining from the GATT Uruguay Round agreement?

[Amorim] The most tangible impact will be an increase in exports as a result of two factors: the opening up of the world market and the establishment of more stable rules for international trade. Estimates of that impact vary considerably. Forecasts indicate that world trade will grow by between $250 billion and $700 billion per year. Obviously, that impact will not be immediate because some of the measures agreed on in the Uruguay Round will not take effect until 10 years from now. Assuming that Brazil retains its current share of international trade (slightly less than one percent of the total), it can be expected that our exports will rise by between $2.5 billion and $7 billion per year.

[Caixeta] Some people consider those estimates too timid.

[Amorim] That additional $2.5 billion in our annual exports does in fact represent a conservative estimate. There are also the secondary effects that the liberalization of trade is going to have on economic growth itself. These estimates do not take into account the fact that we now have more stable rules for trade. Last year, for example, Brazil was in danger of losing from $200 million to $300 million because of antidumping measures applied by the United States to Brazilian steel exports. We did not lose that full amount because some of the measures in question were never implemented, but our steel exports were delayed. Stable rules are a basic factor as far as the firms are concerned, because when exporting their products, they must follow some kind of planning. It is not that antidumping measures are going to disappear beginning now. They will diminish, however, and we will be more certain of being able to take our complaints to the World Trade Organization, which replaces GATT. This means that we will be treated more appropriately.

[Caixeta] Which sectors of the Brazilian economy will probably be the first to benefit from the new rules on international trade?

[Amorim] The developed countries are supposed to lower their tariffs by an average of 38 percent. Brazil has a very diversified economy. It exports everything from relatively simple products to computer software. Barriers will also be eliminated in three sectors that are very important to us: agriculture, textiles, and steel. In the case of agriculture, the complicated import rules imposed by the European Union will be gradually eliminated over a six-year period. The same thing will happen in the case of textiles over a 10-year period. Also to be eliminated is the quota system based on so-called voluntary restriction agreements. In Brazil's case, that system affected steel in particular.

[Caixeta] What impact will the reduction of export subsidies—especially in the agricultural area—have on Brazilian producers?

[Amorim] As far as Brazil is concerned, this is very important. We are losing sales in several traditional markets—the Near East, Asia, and East Europe—because of the farm subsidies paid by the European Union and the United States. One side used to justify its own subsidies on the grounds of those paid by the other. Over a six-year period, the total value of those subsidies will be reduced by 36 percent. That is not much, but it is a start.

[Caixeta] Including the service sector in the Uruguay Round was not well received by the Brazilian Government when the talks began back in 1986. What is the government's current assessment of that aspect of the agreement?

[Amorim] It is true that the liberalization of trade in services frightened us at first. There was concern over competition from the developed countries. But Brazilian firms offer very efficient services in certain fields. Engineering services are one example. Bank automation is another. Today we even export software. Moreover, I was surprised to learn that Brazil is in a good position to export attorney services and legal consulting services.

[Caixeta] How do you view the pressure that the rich countries are beginning to put on the developing countries in connection with what they call social dumping—that is, their threat to set up barriers against countries where wages are low?

[Amorim] That is a new protectionist threat by the developed countries. At a time when markets are beginning to open up, we are seeing the emergence of this new issue, which can be used as a protectionist barrier. Incidentally, the environment issue may also be used that way. This does not mean that those issues in themselves are not legitimate. They must be debated. The doubt I have, especially on the labor issue, is whether it is right to tie the issue of low wages to trade. I can give you an example. I was in Marrakech, Morocco, for the signing of the Uruguay Round agreement. It is a very beautiful city of medieval origin, and today it is a big tourist center. All one had to do was leave the hotel and go downtown to see minors working. What might they be doing if they were not working? Would they be attending school, begging for handouts, or doing something worse? Obviously, no one can be in favor of the exploitation of manpower, but matters that must be resolved in Brazil in a sovereign manner cannot be left in the hands of foreign protectionist interests.

[Caixeta] Have you been discussing these matters with the labor unions?

[Amorim] I have been talking to the president of the CUT [Sole Workers Center], Jair Meneguelli. There have been contacts with other central unions, and they have also expressed their views on the matter. Unions in Brazil are free. They fully protect the interests of the workers. Brazil is a country where there are strikes even in the Budget Department. I lived in developed countries for years and never saw anything like that. It is through union freedom and freer trade abroad that our social conditions will improve, not as a result of sanctions imposed by other countries. I want to sponsor a seminar where that topic will be debated with the workers, people in government and other interested sectors, and the academic world. We have seen many noble causes being used as a pretext for protectionist measures. We cannot leave it up to an orange juice producer in the United States to decide in the future whether the manpower used by the juice industry in Brazil is well paid or poorly paid. If action is taken on the grounds of some alleged social dumping, regardless of whether it affects Brazilian footwear, steel, or orange juice, the effect will be higher unemployment in those areas.

[Caixeta] When you arrived in the United States to discuss the issue of patents, there were only a few days left before the introduction of trade reprisals against Brazil. How did you manage to reverse that situation?

[Amorim] I spoke frankly. That is the main thing if you want to win people's confidence. It is essential not to try to conceal, deceive, or promise things that are impossible. In that way we were able to lay a few ghosts to rest. The issue of intellectual property has developed into an emotion-filled subject over the course of many years. There were already scars in Brazil because of retaliatory measures and sanctions imposed by the United States. But basically, reality today is not what it was when the discussion began. Today we have the GATT agreement. The Americans were previously in the habit of talking about legislation on a worldwide scale. But what did that mean? There were no parameters. Simple compliance with the Uruguay Round agreement would be enough to solve 95 percent of the problems.

[Caixeta] The Brazilian Government is proposing the establishment of a free trade area in South America. What benefits will that bring us in addition to those we already have in our relations with ALADI [Latin American Integration Association]?

[Amorim] ALADI is an agreement whose long-range objective is to create a common market in Latin America. But in concrete terms, it functions only as an umbrella organization for fostering sectoral agreements. So far, ALADI has resulted in limited negotiations. There are agreements on a certain number of products, but most products are not covered.

[Caixeta] Then what is the objective as far as the free trade area in South America is concerned?

[Amorim] What we want in South America, based on our experience with Mercosur [Common Market of the South], is a more extensive liberalization of all tariffs and nontariff barriers over a period of 10 years. We want to reverse the situation that exists today. The fact is that we negotiate only 20 percent of the tariff schedule. Everything else is considered exempt. We must protect only what is absolutely sensitive. The South American countries belonging to ALADI—excluding those

belonging to Mercosur—now account for about 8 percent of our export market. It can be said that that is not much, but the picture changes when you consider that 80 percent of what we export to those countries consists of manufactured goods, unlike what we export to the developed countries.

[Caixeta] What is your assessment of the criticism directed at the implementation of Mercosur? Is it not true that the objectives of commercial integration as expressed in the Asuncion Treaty were too ambitious or unrealistic, as some people claim?

[Amorim] We have already benefited noticeably from the integration process. Trade with the three Mercosur countries today accounts for 13 percent of our exports. Before the Asuncion Treaty eight years ago, it amounted to only 4.5 percent. There has been breathtaking growth. But if you take all the objectives of the Asuncion Treaty literally, it is true that they have not been fully achieved.

[Caixeta] A few weeks ago, President Itamar Franco sent a letter to the presidents of the Mercosur countries explaining the Brazilian position on NAFTA. What did that letter say?

[Amorim] We said that Brazil took a positive view of NAFTA and that we would be ready to talk as a group—all four countries—whenever invited. The letter had two main objectives. First, to dissipate doubts about Brazil's interest in the matter. Yes, we are interested in participating in NAFTA when we are invited to do so. Second, Brazil wants to negotiate together with its Mercosur partners. But the United States, Mexico, and Canada are still digesting NAFTA and the Uruguay Round itself. It will do no good for us to stand there knocking on the door when we know that they are not ready to open it.

[Caixeta] Is it not possible that behind the establishment of that free trade zone in South America is a strategic motive—in other words, a desire to increase the region's bargaining power when and if the invitation comes to discuss integration with NAFTA?

[Amorim] That might in fact happen as a consequence. But the objective is not to form a bloc. It is obvious that by opening up their markets to each other, the economies in the region will grow stronger. And that, obviously, will help in any other international negotiation.

Chile

Figueroa Views 'Hardening' of Cuban Stance on Refugees

PY2006170294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 20 Jun 94

[Text] Chilean Foreign Minister Carlos Figueroa stated that if Cuba sticks to its decision to not allow any political refugees out of the island, Chile will have to review the negotiations currently under way with that country to solve the problem.

Figueroa thus referred to the hardening of the Cuban stance regarding eight Cuban citizens who remain in the Chilean Consulate in Havana. According to press reports, Fidel Castro's government has stated that it will never authorize the people who occupy foreign embassies by force to leave the country, even if they decide to abandon them voluntarily.

Figueroa said that a communique in this sense represents a change of Castro's original offer to grant the refugees exit visas. Figueroa also reasserted the Chilean Government's decision to continue giving them protection for humanitarian reasons and to see that no reprisals are adopted against them if the eight Cubans decide to voluntarily leave the consulate.

In Havana, in addition to the eight Cubans who have sought asylum at the Chilean Consulate, there are another 107 in the Belgium Embassy and 21 in the German Embassy.

Colombia

Registry Bulletin: Samper Leads With 50.41 Percent

PA2006191194 Madrid EFE in Spanish 1816 GMT 20 Jun 94

[Text] Santa Fe de Bogota, 20 Jun (EFE)—Colombian President-elect Ernesto Samper obtained 50.41 percent of the votes, according to the last National Civil Registry bulletin issued today.

The bulletin shows results from 98.82 percent of the votes cast in 46,939 of the 47,430 voting tables. According to this count, Samper obtained 3,695,745 votes, while Andres Pastrana obtained 3,553,446 votes, or 48.06 percent of the votes cast in Sunday's runoff election.

The National Civil Registry reported that 72,504 votes, or 0.99 percent of the votes, were blank. There were a total of 7,331,695 valid votes and 48,149 void votes, for a grand total of 7,379,844 votes. The registry reported that 1.12 percent of all voting tables, or 159 tables, have yet to be counted.

The registry also announced that this was the 10th and last bulletin on the runoff election, adding that a recount of votes begins today.

President-Elect Samper Interviewed on Course of Action

PA2006235194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Jun 94

[Interview with President-elect Ernesto Samper by reporter Ana Fernanda Valderama and unidentified station announcers at Samper's apartment in Bogota, Colombia; from the "National Newscast"—live]

[Excerpts] [Announcer] In his few hours as president-elect, Ernesto Samper has begun explaining what his

administration's course of action will be. Meanwhile, speculation has begun about his administration. The "National Newscast" consulted a specialist in predictions. He is astrologist Mauricio Puerta, who a year ago predicted Samper's victory by a close vote as occurred yesterday.

[Begin Puerta recording] House No. 10 is the house of power. You see he was born with Saturn in House 10. Saturn is responsibilities and achievements. He has made efforts. Today, he is in house four, which is the fatherland, over Jupiter. Jupiter, which is his birth, in astrology is culture and if Saturn is time, then this is the time for culture. But Sagittarius is religion and Pluto goes around every 250 years. In other words, Pluto was also in Sagittarius and that was called the Inquisition. That is why some of the biggest problems the new administration will have to face are problems with the church. [passage omitted] [end recording]

[Announcer] We now have direct contact with president-elect Ernesto Samper Pizano. Ana Fernanda Valderama is at his apartment where the plans of the new government are being drawn up. Go ahead Ana:

[Valderama] Good afternoon Maria Beatriz, president-elect Ernesto Samper was watching the "National Newcast" showing the astrology card drawn up by Mauricio Puerta. You are going to have a lot of problems with cassocks. In fact, you had some at the end of your campaign. How are you going to overcome them?

[Samper] In the first place, I hope they are isolated problems, not a general problem. What occurred in the campaign was in no way a confrontation with the church, with all the cassocks, but with some isolated members who made their call to religious fanaticism felt. Moreover, I think part of the support I received yesterday was support in favor of tolerance and against religious war. Therefore, as far as I am concerned, that prediction by Mauricio Puerta is going to refer exclusively to some isolated cases.

[Valderama] Well, Dr. Samper, it seems there is a question from the "National Newscast" studios.

[Announcer] That is right Maria Fernanda, but first we are going to ask Dr. Samper to watch the following report because it has not been 24 hours since he was declared the winner and some people have already begun to settle accounts. We invite him to watch this initial settling of accounts from the coast and later we will ask him a question.

[Begin recording] [Senator Juan Jose Garcia] Let us hope that Samper will give us what Dr. Lopez gave us. The Atlantic coast also elected him. He gave us three ministries: Public Works, Health, and Agriculture.

[Senator Carlos Espinoza in progress]...national planning. Because if we only had national planning, we could have an influence on the decisions by the state to promote development.

[Unidentified reporter] What about the number of ministries?

[Espinoza] There must be at least three or four ministers from the coast.

[Senator Eugenio Diaz] At the Senate's proposal, Dr. Samper Pizano went to [word indistinct]. He promised us an advisory office for the Atlantic coast. [end recording]

[Announcer] Well, Dr. Samper you have heard the proposals and expectations from the coast. Will your cabinet respond to these invitations or will it simply be a technical cabinet that responds to Colombian's needs?

[Samper] Well, it is not going to be a technical cabinet. It will be a cabinet of technicians with political responsibility. I am sure that many valuable people from the coast fulfill both conditions. In other words, they will have the technical training required for such a high position and they will also have the ability to assume a political commitment because that is what this requires. Of course, the coast is going to be represented in my cabinet. It is one of the most important regions in the country. In my campaign program, the coast had and will continue to have a fundamental role in my administration. This includes the recovery of its agricultural sector and the consolidation of its infrastructure, above all, the increase of social infrastructure through public services such as health, education, and housing. In 12 hours, things have not changed for me. I maintain the promises I made to the coast. We are going to work actively so the coast will not only be represented in government positions but essentially in my administration's development plan.

[Announcer] But Dr. Samper, numerically how many positions will the coast obtain?

[Samper] No, I do not think you can look at this just through quotas of two, three, or five. I want to bring people who are representative of the Caribbean coast so they can be involved in a government program in which the Caribbean will of course have a fundamental role.

[Announcer] Shortly before 2100, five hours after the polls closed, Andres Pastrana acknowledged the Liberal Party's victory. From the tone of his speech, analysts have begun to think that the decision of the losing candidate is to go to the opposition. [passage omitted]

[Begin recording] [Pastrana] I want to congratulate Ernesto Samper for his election as president of the Republic. [cheers] I assured the country a president who has received money from drug trafficking has no moral right to lead Colombia. We will continue to oppose with all our strength the legalization of drugs.

[Unidentified reporter] With these words, Andres Pastrana makes one think that he will become the biggest opponent of the Samper administration. He is backed by

3.5 million votes, enough to consolidate a real political force around him. Analysts think several paths are open to Pastrana.

[Political expert Fernando Cepeda] I think Colombian democracy will benefit from having someone in the opposition.

[Reporter] Others think this is not the candidate's style.

[Political expert Rodrigo Lozada] I do not think Pastrana will choose the alternative of carrying out a hard line opposition to the Samper administration. I do not think it corresponds with Pastrana's style.

[Reporter] Participation in the government party is another possibility for the defeated candidate.

[Political expert Eduardo Pizano] He can seek a very important partnership with the government, seek a government of national unity with strong participation in the cabinet.

[Reporter] What everyone agrees on is that if Pastrana's opinions continue with the same characteristics as yesterday's speech, there will be a real force of opposition to the ruling party for the first time in many years. [end recording]

[Announcer] Well, Dr. Samper, we have heard the opinions of some analysts who believe it is better for Pastrana to be in the opposition. What do you offer him? Do you offer cooperation with your administration? Will you receive him to participate in your administration or would you prefer, as some analysts say, that he stay in the opposition?

[Samper] I believe Andres Pastrana won a very important position yesterday. He obtained significant voting results yesterday. The decision as to whether or not he decides to cooperate, whether or not he deems it advisable for the position he has opened to engage or not in my administration depends, first of all, on the analysis they make of what their relationship should be with the government. For my part, I am ready to consider the decision they make, whether it be to remain in the opposition or to engage in working in a government of national unity, in view of the important number of votes obtained by both candidates yesterday.

[Announcer] Thank you Dr. Samper, we invite you to stay with us. We will continue to analyze yesterday's elections. The principal novelty yesterday was the high voter turnout. It was the highest voter turnout recorded in presidential elections in Colombia. Contrary to all the predictions that there would be increased abstentionism, 7.3 million Colombians went to vote. Abstentionism dropped from 66 percent in the primary elections to approximately 50 percent. That is 2 million votes more than on 29 May. These votes were distributed fairly, equally between the two candidates because the difference was 120,000 votes. This newscast consulted several newsmen to find out what they expect of Samper's administration and how they will judge him.

[Begin recording] [Reporter] What do you expect of Ernesto Samper's administration?

[Columnist Jorge Child] I hope he will fulfill two basic promises. The one on social investment to increase jobs and the one on Latin American integration, which includes, of course, Cuba's admission to the OAS.

[Columnist Maria Teresa Herran] I hope that he will fulfill his campaign promises.

[Columnist Juan Gabrial Uribe] Yes, I think that Dr. Ernesto Samper can lead a good peace-keeping process in Colombia.

[Reporter] How will you carry out your watchdog activities of his government?

[Child] If he strays from his promises, if he engages in influence peddling, if he does not keep his promises to suspend privatizations, if he is not successful in his social policy, we will most certainly organize an opposition movement.

[Herran] He has promised to create [words indistinct] jobs. We will have to conduct a follow-up on how they are going to be created and how many will be created the first year.

[Uribe] We will conduct watchdog activities to ensure that what he has said about a fight against corruption is fulfilled. [end recording]

[Announcer] Well, Dr. Samper, you have heard that the columnists are going to keep an eye on you to see whether you fulfill your campaign promises, particularly the fight against corruption and your promise to create jobs. What is your answer to them?

[Samper] Basically, that I am disposed as a government leader to give them all the guarantees they require to conduct their watchdog activities. I think what a government needs most is a free and independent press, which can closely follow all government actions. I am very pleased with what the important columnists have said.

[Valderama] Well, Dr. Samper, the last question for you is what will be the first actions of your government on 8 August?

[Samper] On 7 August. [laughs] In addition to appointing the cabinet, I am thinking of promulgating some decrees to reactivate the agricultural sector because I have an affective and effective commitment to the recovery of that sector.

[Valderama] Thank you very much, Dr. Ernesto Samper, Colombian president-elect. This has been all the information we have from the home of Dr. Ernesto Samper.

Proposes U.S.-Colombian Counternarcotics Commission

PA2106015694 Paris AFP in Spanish 2359 GMT 20 Jun 94

[Text] Santa Fe de Bogota, 20 Jun (AFP)— Liberal Ernesto Samper, Colombian president-elect, announced today that he will propose the creation of a binational cooperation commission with the United States to adopt joint strategies against drug trafficking. Samper added that he will accept "any technical support from this country" in that effort.

In a news conference with the foreign media in Colombia, Samper, who was elected president on Sunday after narrowly defeating his opponent, Conservative Andres Pastrana, insisted on the need to fight drug trafficking in a "global" and "comprehensive" manner. "We are not the perpetrators but the victims of drug trafficking," he said, lamenting the fact that the international community continues to think the drug trafficking problem is exclusive to Colombia. He said "it is imperative that we ensure greater effectiveness in the cooperation between Colombia and the United States" in this area.

Samper said the creation of a Colombian-U.S. commission, which would be made up of government and civilian representatives, would focus on permanently reviewing the cooperation policy, strengthening mutual trust, and ensuring the effectiveness of the various police, prevention, and rehabilitation programs.

He said the commission would work toward overcoming difficulties encountered by the two countries in their struggle against drug trafficking mafias, one example being the situation created by a recent Washington decision to withhold information obtained through U.S. radars in Colombia. Samper said he hopes to maintain "clear, frank, honest, and firm cooperation" with the Clinton administration in the struggle against drug trafficking.

As for U.S. military aid to fight mafiosos in Colombia, Samper said he welcomes "any U.S. technical support for our counternarcotics efforts." He also reaffirmed his disapproval of a recent ruling by the Constitutional Court legalizing the possession and consumption of minimum drug dosages in Colombia and announced that he is studying two legal alternatives to close the door on that ruling of the highest court, which is tasked with protecting the political Constitution.

Samper said he is studying the possibility of calling a referendum, as proposed by outgoing President Cesar Gaviria, or issuing a law to ban the use of drugs.

Samper, who will assume office on 7 August, announced he will maintain the voluntary surrender policy for drug traffickers implemented by Gaviria but will introduce certain changes, especially in terms of the sentences imposed on capos who decide to surrender.

Samper said he will make the sentences tougher and will not allow mafiosos to take advantage of the accumulation of sentence reductions specified in the prison code for common criminals. Finally, the Colombian president-elect demanded "strong international cooperation" in the struggle against drug trafficking.

Views Internationalization of Economy

PA2106152794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 Jun 94

[Report by Carlo Rodado from "Caracol's 0600 to 0900" newscast]

[Text] President-elect Ernesto Samper has talked about the internationalization of the economy. Judging from statements he made during the campaign, this internationalization will stress a strong policy to promote exports, and this policy will undoubtedly be based on a rectification of the policy on currency exchange. To this effect, working in coordination with the board of directors of Banco de la Republica will be necessary.

The new president will appoint two new members of the seven member monetary board in addition to the finance minister, totaling three out of seven people. The new president will need to have the concurrence of at least one additional board member in order to adopt the necessary currency exchange modifications to strengthen exports. It will be, therefore, a policy of opening up to international markets.

Samper, Pastrana Post-Election Interview

PA2106044994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 21 Jun 94

[Interview with President-elect Ernesto Samper and Andres Pastrana, the defeated New Democratic Force presidential candidate, at unspecified locations by studio announcers and reporters; from the "QAP" newscast—live]

[Excerpts] [Ines Maria Zavarain] Good evening. Ernesto Samper Pizano is the new Colombian president-elect. He won over his contender Andres Pastrana by a margin of more than 132,000 votes. He is our special guest this evening. Good evening, Dr. Samper.

[Samper] Good evening, how are you doing?

[Zavarain] Very well, thank you. Tell us, when you awoke this morning, what was the first thing that came to your mind? Perhaps you thought it had all been a dream?

[Samper] Well, no. I felt as if a piano had been lifted off my head and an organ had been placed there instead. [sentence as heard] It was a sensation that is very difficult to describe.

[Zavarain] Victor Javier Solano has a question for you.

[Solano] Dr. Samper, I have a question on soccer and politics. Your campaign, at the last minute, used the

figure of Pibe Valderrama, but it is obvious that that player was not able to get the team ready to face Romania in the World Soccer Cup game. How can you guarantee that you will get your team ready with the best?

[Samper] Well, I think that what happened to Pibe was a bad afternoon. Pibe continues to be the best soccer player in Colombia. I will follow his guidance on how to form teams to give the next Colombian administration a team of young people who are capable and honest, a polytechnical team. In other words, not only a technical team, but one that it will assume political responsibilities.

[Martha Lucia Avila] [Words indistinct] can you tell us?

[Samper] I am sorry; I was unable to hear you well.

[Zavarain] Go ahead Martha, ask your question.

[Avila] Dr. Samper, we would like to know who you missed in this campaign? Who would you have liked to share this triumph with?

[Samper] That is a good question. Perhaps I missed my father, from whom I learned a lot, such as his teachings about honesty and values. Also, I missed Luis Carlos Galan, who is permanently in my thoughts. I remember him with special affection today.

[Zavarain] Maribel do you have another question for Dr. Samper?

[Maribel Osorio] Yes, Dr. Samper. You called for and received the support of the alliance for Colombia. Does this mean that during your government, we will see a Conservative, an Anapista, a Christian, a representative of the black sector, a General Maza, or how will you resolve the problem of these alliances?

[Samper] Well, the truth is that all of these independent sectors that accompanied me did so very loyally. I think they contributed to my victory yesterday. Of course, they will have a place in the government. That place, however, is not only that they will be able to have a representative position in the government, but also they will share in the government's project of social investment, of increasing productive jobs, of the peace project, on which we started working this very morning. They will be involved in the next administration's project.

[Osorio] Let us return to the topic of the ministers and we will ask you to give us a name, of the government minister or the defense minister, for instance.

[Samper] If I could give you these names, I would gladly do so. The truth is that forming a cabinet is like playing chess. If you miss one of the plays, you mess up your whole game, so you are going to have to wait awhile to learn the names.

[Osorio] Dr. Fernando Botero, for instance, has come up as defense minister. Is that right, can you tell us something?

[Samper] He meets all the conditions for an excellent defense minister.

[Zavarain] Dr. Samper, Adriana Larota has a question from Los Angeles. Go ahead, Adriana.

[Larota] Mr. President [as heard], good evening. Now that it is almost time for the whistle to be blown to start the game, what do you think? Are you going to be an offensive or a defensive player?

[Samper] Well, I will be on the offensive, but not on the basis of fouls, corners, side throws, or out of bounds, but a clean offensive, like that carried out by our Colombian team, with a lot of plays and passes to make many goals for the many problems that afflict Colombians.

[Zavarain] Dr. Samper, continuing with the topic of soccer, as Pibe Valderrama says, everything is fine. Is everything fine?

[Samper] Everything is fine, everything is fine.

[Zavarain] All right, Dr. Samper, we ask you to stay with us because we will return to you later in the cast. [passage omitted]

[Zavarain] We now welcome Dr. Andres Pastrana. Good evening, Dr. Pastrana.

[Pastrana] Good evening.

[Zavarain] We have invited you to pay tribute to your campaign. After all, you received 3.5 million votes, the highest number of votes received by a conservative candidate in our history. We would like to know what you plan to do with all that electoral support.

[Pastrana] I will continue working. The Colombian people have given me a mandate of 3.5 million votes, which is 50 percent of the vote. Those 3.5 million votes are sending us a message. They say that change is possible, that it is possible to defeat the old policy, the machinery. They are telling us that the country wants to build a new Colombia. Therefore, we will work hard with those 3.5 million Colombians, and many more, to build the Colombia we want so much.

[Unidentified reporter] Good evening, Dr. Pastrana. Last night, after acknowledging the partial results of the elections, you made a statement that has given rise to many doubts. I invite you to hear the recording.

[Pastrana] Let us hear it.

[Begin Pastrana recording] That is why I assured the country that a president who has received money from drug traffickers has no moral authority to lead Colombia. [end recording]

[Reporter] Dr. Pastrana, what exactly did you mean?

[Pastrana] You know that since Friday I have been deeply concerned because, a week ago, the international media—TIME magazine, and other U.S. media—published reports hinting that drug money was being used in the political campaign. During the previous campaign there were 18 candidates, and I insisted that we all should send a note to the U.S. Government demanding clarification of who they were referring to. Later on, when only Dr. Samper and I were campaigning, the media insisted on saying that there was money from drug trafficking. Therefore, I sent a letter to Dr. Samper to tell him—as I said in my letter—that I have no knowledge of any funds from drug trafficking used in my campaign. Therefore, I swear before God and my conscience that I can say to Colombians that there were no such funds. I believed a reply to my letter from Dr. Samper was important to tell the world that there was no money from drug trafficking in our respective campaigns.

[Reporter] You have specifically said that there was no money from drug trafficking in your campaign, and that there were only two candidates. Do you mean that Ernesto Samper has no moral authority to lead the country?

[Pastrana] No, no. In my letter to Dr. Samper, I invited him to tell the world that if it was confirmed that there were funds from drug trafficking in either of our campaigns, that candidate would resign from the Colombian presidency because it would be an affront to the Republic and the nation.

[Reporter] Did you receive a reply to that letter?

[Pastrana] No, I have not received a reply, but I hope Dr. Samper...

[Reporter, interrupting] Do you have proof that drug money was used in the electoral campaign?

[Pastrana] No, no. I simply said that no such funds were used in my campaign, that I could swear before God and my conscience that those funds did not exist. I invited Dr. Samper to do the same so the world and the media would know that in Colombia there is no drug money in our campaigns.

[Reporter] Will you participate directly in Samper's government?

[Pastrana] I have not really thought about that yet. I am currently talking with our people. Whether we participate or not is not the real issue. My message to Dr. Samper is: We will support you in all the good things you do. Whenever we think we should criticize and contribute with our ideas, we will do so. We are not in favor of the old policy in the sense that if we are given a ministry, we will participate in the government. If the government does a good job and we believe that the results are good, Dr.Samper can be sure we will support him. We will also criticize the government when necessary.

[Zavarain] Thank you, Dr. Pastrana.

[Congote] Ines Maria, before going to more news, I would like to ask Dr. Ernesto Samper a question. Good evening, Dr. Samper; this is Gloria Congote. In view of Dr. Pastrana's proposal and to eliminate any doubts Colombians may have abou, you, would you truly be willing to resign from the presidency should it be discovered illegal funds were used in your campaign?

[Samper] Gloria, I do not think resignation is the issue. I think the doubts expressed by Dr. Pastrana are reckless because they compromise, in one way or another, the entire country in the eyes of the nation [as heard]. I interpret it as an attempt to discredit the electoral results. Over the past few days, I have said emphatically that no drug money was used in my campaign.

As proof I described the ethics code that has guided us from the very beginning of the campaign, not just now at the end, as Dr. Pastrana suggested, but for the entire year. We implemented this code to keep an eye on all funds entering the national treasury. I want to invite any reporter or anyone at all who wants to review our books to check the origins of all funds. We adopted this institutional procedure a year ago to monitor where our resources were coming from.

[Congote] Dr. Samper, why didn't you answer Dr. Pastrana's letter?

[Samper] I answered it publicly. I received his letter two days after the media received it [chuckles]. I answered it as I told you, and I repeat: A year ago, ours was the first campaign team to worry about money of doubtful origin or about the concentration of resources in the campaign. That is why we established these procedures so we can show anyone our books and the origins of the funds.

[Reporter] Dr. Samper, you said you will govern without rancor. Would you include Andres Pastrana in your cabinet?

[Samper] I would if the right political conditions are present. What are those conditions? The movement headed by Dr. Pastrana must decide if it wants to be part of the opposition or if it wants to cooperate with the government. If the latter is true, we would define the terms for this possible cooperation, and as I said before the campaign, I would be pleased to have Dr. Andres Pastrana.

[Reporter] Dr. Samper, given the very hectic campaign of the past three weeks, what will you be doing in the days prior to assuming office?

[Samper] I will plan the transition process this week. I will tell you that we will hold the first transition meeting between my campaign team and the government team at 1700 on 21 June. President Gaviria and I will participate. We will hold three transition meetings this week. The government drafted a document, which we are already analyzing, on carrying out a trouble-free transition. We will continue working.

[Zavarain] Dr. Samper, will you accompany the Colombian soccer team to upcoming games?

[Samper] Yes, I am thinking about accompanying the Colombian team to Sunday's game; that is, to the definitive match when everything is at stake.

Candidate Pastrana: No Plans To Cooperate

PA2006195894 Madrid EFE in Spanish 1641 GMT 20 Jun 93

[Text] Santa Fe de Bogota, 20 Jun (EFE)—Andres Pastrana, the Conservative Party candidate who lost the Sunday elections for the Colombian Presidency to Liberal Party candidate Ernesto Samper, announced today that he has no plans to cooperate with the new government.

Pastrana declared to Radio Cadena Nacional that, in principle, his political group, New Democratic Force (NFD), has no interest in "bureaucratic quotas" in the new government, which Samper will lead from 7 August until the same date in 1998.

After tallying up 97 percent of the votes, Ernesto Samper garnered 3,679,632 of the 7,353,846 votes cast (50.3 percent), and Pastrana garnered 3,553,146 (48.6 percent).

"I believe that one must support the good things for the nation, but when we have to criticize the new government we will do so," Pastrana noted. The conservative leader added that the NFD will "be on the watch" with regard to the new government. "During the campaign, Samper said he would only work with those who supported his candidacy. Therefore, we have not considered it because Samper had previously excluded people," Pastrana said.

Meanwhile, the president-elect stated that Pastrana's campaign "will have to make the decision on what its relations with the new government will be." Samper said: "Based on that statement, I am willing to consider a possible link between my government and the sector that Pastrana represents."

Pastrana's group held several government posts in the administration of outgoing President Cesar Gaviria, among which was the Development Ministry, which is responsible for promoting economic openness.

De La Calle Makes Victory Speech

PA2006051394 Santa Fe de Bogota Radio and Television Networks in Spanish 0224 GMT 20 Jun 94

[Speech by Humberto de la Calle Lombana, Liberal Party vice presidential candidate, from the Gonzalo Jimenez de Quesada Convention Center in Santa Fe de Bogota—live]

[Text] Mr. Ernesto Samper Pizano, president-elect of Colombia; Mrs. Jaquin Samper; Rosalba [De la Calle's wife]; Friends; Colombians: I would like to thank all Colombians for the clean and democratic victory that Mr. Samper and Mr. De la Calle achieved today. It has been a long, hard campaign. At times, it even went as far as personal attacks, but we have no hard feelings. It is time for generosity and to stand tall. It is time for our spirits to be calm so we can conduct our administration without discrimination.

I also thank Mr. Ernesto Samper. Mr. Samper has been a champion of democracy and a generous friend. In offering me the opportunity to be his running mate on the presidential ticket, he has allowed me to continue to serve Colombia. I admire his devotion to social justice. It is a genuine devotion; not improvised. I see in Samper the great leader of social justice in Colombia. [cheers] It was on this specific issue—serving the poor people of Colombia, men and women of flesh and blood—that we found our greatest affinity in this victorious ticket.

I also thank Jaquin for her dedication and assistance I would like to reaffirm what I said during the campaign: I am a man of the countryside. I am not ashamed to be a man of the provinces, and I will continue to be one. I want to make the vice presidency the home of the Colombian countryside. What Colombia needs is a vice presidency that will reinforce national unity by recognizing the diversity of its regions and by realizing the potential, the drive, and the creativity of the Colombian provinces. [cheers]

Our victory, the victory of Ernesto Samper, is also a victory of the Liberal spirit and of tolerance over fanaticism. It is a victory for self-evaluation and pluralism. That is what has risen victorious today, my friends. We do not want fanaticism, sectarianism, or discrimination in the modern Colombia we have envisioned. There will be no room for discrimination on the grounds of sex, color, race, creed, or religious belief in the Samper administration. [cheers].

As vice president, I also hope to contribute to the development of our constitution and the statutory law governing the administration of justice. In so doing, we will advance the fight against crime, drug trafficking, and drugs in favor of true democratic justice for all Colombians. [cheers] The new legal instrument for requesting the protection of our constitutional rights is the most revolutionary means to truly protect our fundamental rights.

I believe in reinforcing the resources available in the municipalities and departments. This will allow them to fulfill their responsibilities, particularly toward social justice. As its name suggests, this is a social justice directed at the men and women of the masses; the men and women of flesh and blood; the men and women of Colombia who have no privileges.

We want justice in education and health. We believe the first priority for this new government is social investment, the search for the vindication of the poor people of Colombia. My dear friends, we are behind the poor people of Colombia, not the powerful. [crowd cheers]

President Cesar Gaviria must be recognized for the development of the Constitution. President Gaviria, by promoting constitutional changes, transformed Colombia's philosophy. In my opinion, what we are looking at now is a more modern Colombia with a greater willingness to achieve victory and to come out ahead. We want a more optimistic Colombia.

As Ernesto Samper has said, I hope to contribute from the vice presidency by representing Colombia internationally. We are going to fight for human rights, against drug trafficking, and for the protection of natural resources and the environment of Colombia and the world.

Ernesto Samper asked me to help renew the Liberal Party. I will never give up trying to accomplish that goal. As president of the Liberal Party's Renewal Commission, I hope to conclude our mission before 6 August. As of today, I wish to convene a Liberal Party convention. We need a more democratic, active, and institutional party with a greater committment to the fight against corruption. [crowd shouts: Long live the Liberal Party!]

I want to tell you that it is a pleasure to have the support of millions and millions of Colombians. I am especially grateful because I am not a professional politician. I do not think I am a man who has turned politics into a profession. I come from another field, but my victory today not only commits me to Colombia but also teaches me something I heard from Luis Carlos Galan, who said if one does not do politics, others will do it for you. With Samper we will try to do good politics for all Colombians without discrimination, my dear friends. [crowd cheers]

I conclude by thanking Rosalba and my sons. I want to say that without their help and understanding, my dreams of working for a more egalitarian society would not have been possible. Thank you, thank you my dear friends, and a big hug for Colombians. Thank you very much.

Attorney General's Office Reports Election-Related Crimes

PA2006051794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 20 Jun 94

[Report by Julio de la Rue from the "TV Today" newscast]

[Text] The Attorney General's Office has reported a slight increase in the number of reported election related crimes throughout the country compared to those filed during the first round. The report states there were claims of attempts to buy votes in five departments. Twenty people are under arrest, and they reportedly received gifts or favors to change their votes, according to the Attorney General's Office.

[Begin Attorney General Carlos Gustavo Arrieta recording] We received reports in certain instances that gifts such as lunch and tickets were given to people who voted. [end recording]

There was a positive assessment of the participation of state officials in the political campaign.

[Begin Arrieta recording] Quite the contrary, concerning officials' participation in the electoral process, there was a significant decrease. [end recording]

The Attorney General's Office will present to the judicial authorities the results of this report to allow them to conduct the appropriate investigations.

ELN Frees Kidnapped Electoral Members, Delegates

PA2106131894 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 Jun 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Six electoral members and two delegates of the Civil Registry office, who were kidnapped in El Cerrito, Santander Department, arrived in the outskirts of El Cerrito after walking on uneven terrain for hours. Marta Vera, Mario Salinas Antolines, Edgar Rodriguez Cruz, Amanda Mogollon, Luis Antonio Cuadros, and Jesus Alberto Campos, as well as Civil Registry delegates Flor Maria Rangel and Maria Pena were released after the 19 June elections. Upon arrival, they said they were treated well by members of the Efrain Pabon Pabon Front of the self-styled ELN [Army of National Liberation] who kidnapped them.

Prosecutor, Attorney Generals on Legal Issues

PA2006012194 Santa Fe de Bogota EL TIEMPO in Spanish 16 Jun 94 pp 1, 16A

[Text] Yesterday, Prosecutor General Gustavo de Greiff requested Congress study the possibilities of establishing external controls on the immense power held by the institution he heads. He also asked the legislature to explore mechanisms to establish other types of precautionary measures, other than imprisonment, to ensure that those under investigation appear before prosecutors and judges.

The prosecutor general's requests were made yesterday during a seminar for criminal prosecutors organized by the Attorney General's Office. De Greiff, Attorney General Carlos Gustavo Arrieta, Justice Minister Andres Gonzalez, and Deputy Prosecutor General Francisco Sintura attended the seminar.

Regarding the first request, the prosecutor general said legislators had not established controls on "the great amount of power given to prosecutors and that it is necessary to establish controls for the future."

De Greiff said there is a 2d Court of Appeals at the Prosecutor General's Office, but this in itself is a contradiction because those who file suit in the 1st and 2d Courts of Appeals are delegates of the prosecutor general and belong to a body that has a unified administration, hierarchy, and follows general administrative procedures and criminal guidelines established by the prosecutor

general of the Republic. "We respect this 2d Court of Appeals, because we do not attempt to have absolute power but, rather, one sole criminal policy, not many policies as in the past," the prosecutor general said.

Regarding precautionary measures, he said "arrest warrants must be issued as an exception and when we do not have a guarantee the person under investigation will present himself to the authorities. It is more appropriate to promote legislative reforms that will allow us other types of precautionary measures, such as bail," de Greiff said.

He admitted there are prosecutors who are quick to issue precautionary measures and involve people in cases. "Certain prosecutors are frequently quick to issue precautionary measures, and we have noticed people are precipitately involved many times in cases under investigation, as can be seen at inquiries when the prosecutor does not have all the necessary facts to ask questions," de Greiff added.

The prosecutor general also said the institutions can no longer allow validation of the assertion: "Nobody is refused an arrest warrant in Colombia." "This sentence is shocking and has been in effect since the time when there were criminal investigation judges."

The prosecutor general stated his position regarding a possible increase of jail sentences for several crimes and said increasing the penalties to the maximum is not the solution. The important thing is, he said, to have a penitentiary system that guarantees the rehabilitation of the criminal. "We gain nothing by putting all the hoods in jail if we do not have a penitentiary system that will give them a chance to rehabilitate," de Greiff said.

Arrest Warrants

"Several people say the best system is the one in the United States, where drug traffickers are given long sentences or life. Let me tell you this is not true. Those penalties are imposed on Colombian drug traffickers, not U.S. drug traffickers. I do not know of a single case where a U.S. drug trafficker has been sentenced to life."

For his part, Arrieta said the Attorney General's Office should be committed to completing its investigations, that its role should expand and include the assurance that due process is complied with to safeguard respect for human rights, and that the law is interpreted and implemented correctly. "The main goal is to advance from formulating measures to restricting personal freedom to the point where such measures are only used when necessary to guarantee the appearance of those accused at court," the attorney general said.

According to Arrieta, personnel of the Attorney General's Office must be vigilant in stopping certain prosecutors' abuses of issuing preventive arrest warrants. "We must adapt Colombian criminal law to international laws that recommend freedom as a basic principle during the investigative phase and thus leave jails for those who are serving imposed sentences."

For his part, the justice minister said the current Criminal Procedures Code had improved the trial system because, according to him, it was an important instrument in inhibiting impunity, clearing the backlog in legal offices, and avoiding expiration of investigations.

No contacts with the Cali Cartel

Yesterday, De Greiff and Arrieta said they have had no contacts with lawyers of important Cali Cartel members for several months. According to de Greiff, the Prosecutor General's Office is waiting for the Valle drug traffickers to understand that the best alternative is to surrender to justice and that his office is willing to further this process. Arrieta said "the Cali Cartel lawyers are most surely waiting for the change in government to reinitiate their advances."

The prosecutor general and the attorney general commented on other current national events:

The Hidden Microphones in Samper's Campaign: The prosecutor general said it is being investigated, "but it will be difficult to find the culprits in this crime due to a lack of evidence. We will investigate as much as possible."

Retirement Age: The prosecutor said he is waiting for the Supreme Court to define if he is an official with an established term or if he must retire when he is 65 years of age.

Church and Politics: The attorney general said the call made by several bishops for their parishioners to vote for one of the candidates is unjustified. "I believe Monsignor Castrillon's call was a personal one and did not include the church as a whole. Church interference in politics is something we have already surpassed. It does not have any justification at this time."

Disaster Attention Office: The attorney general said the Attorney General's Office will investigate as soon as the emergency subsides whether the officials in that government office had been negligent. "What is important now is attending to the victims. We will start to investigate once this phase is over. It would be senseless to do so now."

Ω Accord Targets Official Corruption

94P20901

[Editorial Report] On 24 May, the Attorney General's Office and the Colombian Banking Association (Asobancaria) concluded an agreement intended to strengthen the government's hand in detecting and fighting official corruption. The agreement will facilitate the examination of bank records by authorities looking for evidence of money obtained through illegal means. Specifically, the agreement provides for a smoother exchange of banking information between the Office of Special Investigations (OIE)—the

department of the Attorney General's Office responsible for much of the preliminary investigative work in cases of administrative corruption—and Asobancaria, and will improve the latter's technical support to the OIE. (EL TIEMPO 25 May; EL ESPECTADOR 26 May) President Cesar Gaviria, who attended the signing ceremony at the presidential palace, hailed the agreement as an "extremely important step forward" in coordinating efforts by the state and civil society to fight administrative corruption. He added that the accord is part of a larger strategy to prevent use of the country's financial system "to conceal investments or make use of resources obtained by means of illicit activities." Attorney General Carlos Gustavo Arrieta described the agreement as "a veritable revolution" in the struggle to fight illicit enrichment, and said it would "greatly reduce" investigation time. (EL TIEMPO 25 May)

Although financial institutions were already required to provide the Attorney General's Office with information upon request, the process whereby OIE investigators collected the data was time-consuming, subject to leaks, and did not always receive the full cooperation of bank officials, according to EL ESPECTADOR (26 May). By greatly streamlining procedures for gathering information and relaying it to the appropriate authorities, the new agreement could reduce OIE investigative work by as much as 75 percent, according to EL TIEMPO (25 May).

In a commentary in EL ESPECTADOR (29 May), Arrieta explained that the agreement eliminates the need for investigators to go from bank to bank, including individual branch offices, throughout the country searching for a suspect's accounts as well as those of family members or others which may have been used to conceal the illicit activity. Now, an investigator can simply report a suspect's name to Asobancaria's Center for Financial Sector Information (Cifin), which will be required quickly to provide all relevant information from its data bank of current information on accounts and transactions made at the country's financial institutions. (EL ESPECTADOR 29 May; EL TIEMPO 25 May)

In addition, the new procedures will help to ensure the confidentiality of investigations. Arrieta notes that, under the previous system, numerous bank officials were involved in responding to an OIE inquiry, increasing the risk that a suspect would be alerted to the investigation. Under the new system, however, each institution will appoint a representative to the Cifin working group who will be responsible for handling all requests for information from that institution. (EL TIEMPO 25 May)

Addressing reports that bank officials had sometimes failed to cooperate fully with OIE investigators in the past, Arrieta said that in signing the agreement the financial system has "given its full commitment to the fight against corruption." (EL TIEMPO 25 May)

The agreement also calls for Asobancaria to provide investigators with training and ongoing assistance in understanding the more technical details of banking operations. Arrieta noted that such cooperation is especially important because criminals have refined their methods of concealing the illegal origin of their money. (EL ESPECTADOR 29 May)

Asobancaria and the Prosecutor General's Office are reportedly working out a similar agreement. (EL ESPECTADOR 26 May)

Fidel Castano Describes Criminal Involvement

94WD0390Z Santa Fe de Bogota SEMANA in Spanish 31 May 94 pp 38-45

[Interview with Fidel Castano; place and date not given; first paragraph is SEMANA introduction]

[Text] A few days ago, through the intercession of the attorney who is representing Fidel Castano before the Prosecutor General's Office, SEMANA was able to interview the paramilitary commander, who is one of the country's most wanted men. Having secured responses to the initial questionnaire and then to some additional questions, SEMANA's editorial board decided to publish them since Castano offers many revelations about some of the biggest crimes in recent years.

[SEMANA] Your hatred for the guerrillas reportedly stems from the murder of your father, whom the subversives executed after kidnapping him and after you paid a ransom. How did that story go?

[Castano] My father was kidnapped in 1981 from an estate he owned in the municipality of Segovia (Antioquia) by the Fourth Front of the FARC [Revolutionary Armed Forces of Colombia], which demanded 100 million pesos for his release. It was impossible to raise that amount of money at the time, inasmuch as our total wealth was not even half that much. Nevertheless, with the help of several local ranchers and a loan that the Amalfi Agricultural Credit Bank gave us under the Estate Law, we got together 30 million pesos and paid them. They then told me that 70 million was missing. I told them that I did not have that kind of money and that if I ever did, I would use it for nothing else but to combat them. My defiant reply was the reason they killed him.

[SEMANA] Did you start forming the paramilitary groups in Cordova after this episode?

[Castano] The group was actually created many years later. What I did right after my father's murder was to offer myself as a volunteer guide to the army, specifically to the Bombona Battalion in Puerto Berrio and the military base of the same battalion in Segovia. For two years, thanks to my help, as I told them the location of guerrilla camps and pointed out members of the FARC and the ELN [National Liberation Army], that battalion achieved excellent results in its operations. Concurrently, I received counterinsurgency training.

After that I began to realize that the methods that the army was using could counter the actions of the guerrilla

groups but never exterminate them. So I decided to create my own group and began operating in northeastern Antioquia, the Middle Magdalena, as far as the department of Cordova.

[SEMANA] What was the purpose of these groups? Who financed them and how?

[Castano] At first the groups were small, just a few peasants who were being harmed by the guerrillas and who saw self-defense as a way of defending their lands from the abuses and atrocities committed against them and their families. In other words, we began our activities as self-defense and we later learned that the guerrillas had neither the courage nor the military and logistic capacity that was being attributed to them, inasmuch as they always avoided a direct confrontation with our people. It was really then that we started to deploy our forces and went on the offensive to cover other areas and, at the same time, mold our deployment to the guerrillas' area of influence.

[SEMANA] But who financed them?

[Castano] As for their financing, the self-defense groups have always been financed by the people who have economic interests in the zones in which these groups operate.

[SEMANA] These paramilitary groups reportedly sowed terror in Cordova, and the authorities point to you and these groups as the perpetrators of the massacres in Las Tangas, La Negra, and Punta Coquitos. The Supreme Court recently upheld a 20-year sentence against you in connection with these incidents. What actually happened?

[Castano] I must regrettably acknowledge that any armed group in an area of conflict of one sort or another terrifies the civilian population. Now then, the Supreme Court upheld a 20-year sentence against me, but not for those massacres. On the contrary, I was acquitted in connection with them. I was convicted of conspiracy to commit a crime because I publicly admitted having had a self-defense group at the time of the demobilization, and we surrendered our weapons to the government.

What really happened was that back then there were various independent, uncontrolled self-defense groups, but the public seemed to think there was only one, mine, which they blamed for everything that happened in that region of the country.

[SEMANA] What did you achieve with the paramilitary groups in Cordova?

[Castano] During the time that my self-defense groups were in the Upper Sinu, there were no kidnappings by the guerrillas; land values rose; the ranchers were not paying protection money, and all of the cattlemen could calmly visit their ranches. In other words, the guerrillas were eradicated.

[SEMANA] You are said to be a man of the world who travels constantly and is a major art connoisseur. Is this true?

[Castano] I lived for three years in Paris, where I was in the artworks business. Before that, when circumstances allowed, I traveled through several countries like any other person who can afford to and has some taste. I do not have as much money as my friends have always thought; I consider myself an average person, a hard worker who struggles through life and is immersed in countless problems. But I am content and I am still alive.

[SEMANA] Let's move on to another subject. Did you ever work with Escobar? How did you meet him? How was your relationship with him at the outset? Did you two ever do business?

[Castano] I met Pablo Escobar in the late 1970's in Medellin; at the time I bought and sold cars on commission. I met him when I sold him several trucks, and we remained friends. We had certain things in common, and although it may seem odd, we had enormous sympathy for leftist ideology, so much so that on one occasion we tried to contact one of the guerrilla groups that existed at the time. But those leanings disappeared in him later when he started making a lot of money and in me when that guerrilla group kidnapped and later killed my father. It is incomprehensible to me that my eternal enemies once had my support. There are times when I think that if I had not had reason to become a counterinsurgent, I would have been a guerrilla.

I have to admit that I held Pablo in esteem back then, but not as greatly as I came to despise him because I never imagined that one day, in his obsession with money and power, he would become the most despicable and bloodthirsty man ever born in Colombia.

[SEMANA] The authorities have fingered you as one of the chiefs of the military wing of the Medellin Cartel. Is this true?

[Castano] I have never worked for anyone, and much less have I had bosses. I have not been a mercenary either. I have been independent and I take responsibility for my actions.

[SEMANA] Because of that link to Escobar you have been cited as one of the masterminds behind the blowing up of the Avianca jet. The Prosecutor General's Office linked you and Escobar to that case and recently ordered your arrest. Were you involved in that bombing?

[Castano] My war has been only with everything that smacks to me of the guerrillas. I do not blow up planes. I do not need to blow up a plane to kill someone famous. That reflects a lack of military resources. When you go into battle convinced that you are in the right and are acting with justice, you do not need to kill 107 people to achieve a goal.

[SEMANA] What arguments do you have to counter the charges that the Prosecutor General's Office has leveled

at you? Do you have information about the person or persons who ordered the bombing, who carried it out, and what their reasons were to kill 107 passengers?

[Castano] It is a secret to no one that Pablo Escobar was the mastermind of that awful bombing. He was the only one who could have thought of such an insane terrorist act. As for who carried it out, his deputies who are now fortunately behind bars in La Picota Prison in Bogota can answer that.

[SEMANA] Another of the crimes that the Prosecutor's Office has linked you to is the assassination of the former candidate of Patriotic Union, Bernardo Jaramillo Ossa. Last February an arrest warrant was issued for you, and your two brothers, Vicente and Carlos Castano, were also linked to the case.

[Castano] I had a role in that, but I was not the mastermind, much less the perpetrator. My brothers Carlos and Vicente had absoluetly nothing to do with the incident or with any of my activities outside the law. If I had been involved in any way in any other activity, I would also say so, because my goal is to have everyone pay for what he has done.

[SEMANA] You say that you did not kill Jaramillo. So who is to blame for his murder?

[Castano] It was ordered by Gonzalo Rodriguez Gacha, alias "El Mexicano," and directed by Ariel Otero and men working for Jaime Eduardo Rueda Rocha.

[SEMANA] But how were you involved?

[Castano] At a meeting that "El Mexicano" organized I was asked for my opinion, and I agreed with the order that he had given to execute the operation, the details of which I did not know.

[SEMANA] The courts also link you to the assassinations of Senator Alfonso Ospina Ospina and Father Sergio Restrepo.

[Castano] As for the murder of Father Sergio Restrepo, I can tell you that I have never had confrontations with the Church or with any of its members, and if there is anything that I am going to fight for, it is to show that I was not aware of anything that happened during the time that Dr. Alfonso Ospina was being held prisoner. I lent armed personnel to retired Army Captain Elkin Henao for some operations in the Middle Magdalena, and he used them behind my back to look after Dr. Alfonso Ospina during his captivity, all this in association with Pablo Escobar. I am absolutely certain that the Prosecutor's Office will acquit me of these charges. Why should I deny this, given the police record I have?

[SEMANA] What were the causes of your breakup with Escobar and more or less when did it happen?

[Castano] About 15 months before he was imprisoned in La Catedral, Pablo gave the ELN a lot of weapons, and this upset me greatly. We even had a bitter argument, and I never spoke to him again. I felt like going after him, but the truth is that he scared me. During the time that he was in La Catedral, in fact, the Moncadas and Fernando Galeano were murdered, and those of us who stayed alive felt obliged to fight against him because we had no other choice.

[SEMANA] Were you the founder of "Los Pepes"?

[Castano] On 21 February 1994 I sent the prosecutor general of the nation a memo saying: "I would like to clarify to you, Mr. Prosecutor General of the Nation, that in order to combat the despicable Pablo Escobar and his Medellin Cartel and to prevent them from continuing to attack the Colombian people and us, whom he persecuted tirelessly, I was the founder of the group that called itself 'Los Pepes' and, at the same time, its military chief. In this and in my other activities outside the law, my brothers were not at all involved, as my enemies would have people believe."

[SEMANA] Why were "Los Pepes" established?

[Castano] It is my understanding that "Los Pepes" were not established. One day, 30 million Colombians persecuted by Pablo Escobar simply got fed up and banded together against him as society's response to the absolute power acquired by Escobar and his deputies, whom the State has now either killed or put behind bars. The city of Medellin was in the hands of a bunch of criminals, not common criminals but insane ones who killed and kidnapped innocent people like never before. So, there had to be a strong reaction, fighting fire with fire, or else we were lost. I think that Medellin and the entire country are breathing easier now that this thousand-headed monster and his famous cartel are gone.

[SEMANA] How were they organized?

[Castano] Everybody soon realized that the prison called La Catedral, where Pablo Escobar and his people were being held, had become a bunker in which murders were being committed and from which orders were given to kidnap, kill, and blackmail industrialists, businessmen, ranchers, and affluent people. Several distinguished persons sought me out and asked me to head up a self-defense group against Pablo Escobar. I thought up the name "Those persecuted by Pablo Escobar."

[SEMANA] How did "Los Pepes" operate?

[Castano] "Los Pepes" operated on two fronts. The first, called intelligence, was in charge of gathering all sorts of information on the structure of Pablo's organization. After the information had been gathered, it was conveyed by telephone or other channels to the appropriate authorities so that they could take advantage of it. The other front was called the action front; it was an armed group that I personally headed and that acted on the information to neutralize and destroy the enemy.

[SEMANA] How was the group financed?

[Castano] There was no problem with that. Industrialists, politicians, and cattlemen contributed money. We also raised money and earmarked it for this cause.

[SEMANA] Who else was part of the top brass in "Los Pepes"?

[Castano] That is for the Prosecutor's Office to find out. I cannot be disloyal on this point.

[SEMANA] "Los Pepes" claimed responsibility for a number of attacks, including the murder of Omar Canas, who played for the Atletico Nacional soccer team, and announced that other members of the team would meet the same fate. Why?

[Castano] I am not going to be the one who tarnishes the image of players on that team. We have all made mistakes in life, and anyway they are all adults.

[SEMANA] Why did you set fire to Pablo Escobar's homes, blow up his properties, and destroy his collection of automobiles?

[Castano] At some point someone had to battle Pablo by using his own methods. Pablo planted bombs, kidnapped, and then murdered his friends, but not before taking away all their money and property. He tortured and killed hundreds of people. So we were not going to combat someone as insane as him by dropping hints. The people wanted us to destroy Pablo without resorting to violence, but that was not possible. If things had been done that way, today all of us and the government itself would once again be on our knees at the feet of that monster.

[SEMANA] Why did you kill Guido Parra?

[Castano] The Guido Parra affair was indeed a regrettable mistake. The operation was a hasty one. One sector of the organization did not handle the matter with the proper restraint. Unfortunately, I was away, though I am not trying to dodge my responsibility by saying this. But, excesses are committed in war too. You have to understand, though, that this was not done gratuitously. The operational command of "Los Pepes" received information that Guido Parra was in direct contact with Pablo Escobar and that he served as his liaison for intelligence work and as an adviser on hide-outs and other operations. We know today that Pablo Escobar himself misinformed us and also that Dr. Guido Parra was no longer even his lawyer and that they had their differences because Escobar owed him a lot of money in fees. So, we were victims of Escobar's ploy to make us look like common murderers of innocent people. This was another of his wartime strategies.

[SEMANA] Why did you kill other attorneys for Escobar and his organization, like Salomon Lozano and Raul Zapata?

[Castano] In the case of Salomon Lozano, the legal adviser to Carlos Mario Urquijo, alias "Arete," we found that he was no longer his defense attorney. Instead, he served him as a courier, carrying letters with false accusations and conveying Pablo Escobar's instructions to attack "Los Pepes" in a bid to wage what they called "the legal war," so that they could use the military, in other words, government security forces, against me and the organization.

The same was the case with Raul Zapata. In short, these individuals strayed beyond the bounds of their profession and became common criminals in service to the people who were behind bars, not to solve their problems but to misinform.

[SEMANA] How did you collaborate with the Search Bloc in harassing Pablo Escobar?

[Castano] We never had direct contact with the Search Bloc. We gave it a lot of information through various channels that did not identify us.

[SEMANA] Is it true that you were involved in the operation in which Escobar died? In what other operations did you take part?

[Castano] No. I repeat: we never had any joint operations with the Search Bloc. The operation in which Escobar died was conducted exclusively by the police, as is public knowledge.

[SEMANA] What happened to "Los Pepes" after Escobar's death? Did they demobilize?

[Castano] After Escobar's death there was no reason for our organization to continue. Since that glorious 2 December no more people are being persecuted by Pablo Escobar in Colombia.

[SEMANA] Intelligence agencies report that after Escobar's death you had contacts with his family. Did you sign some sort of truce with his relatives? What are its terms?

[Castano] I spoke with Hermilda and told her that we had absolutely nothing against them, and I said the same thing to Maria Victoria in a letter. We never regarded Pablo's family or the families of the other cartel members as enemies.

[SEMANA] You demanded that Escobar's deputies who are in maximum-security prisons confess to all their crimes. Was there some sort of pact?

[Castano] I do not consider it a pact. I simply thought that the members of the cartel were making a mockery of the Prosecutor's Office. They turned themselves in and confessed to a minor crime, thus eluding us and hoping to go free in one year. At that point we demanded that each and every one of them confess to all their crimes, which would guarantee them at least 10 years in prison. That way we would not have to go after them again, because the Prosecutor's Office would finally be punishing them for their crimes.

[SEMANA] What happened to the Medellin Cartel after Escobar's death? Did you take over as its leader?

[Castano] Drug trafficking has never attracted me. My businesses have always revolved around ranching and art. How am I supposed to head up a cartel that no longer exists? How am I supposed to spearhead a cause that was involved in drug trafficking, with which I have never agreed? I must admit that I was a friend of drug traffickers, but only because of my financial dealings. The Medellin Cartel died with Pablo Escobar. So, there is nothing to head up in Medellin. The only thing I want in my future is to live in the countryside, thus assuring the government that I, Fidel Castano, will never again break the peace in Colombia.

[SEMANA] What is your relationship with the Cali Cartel? Escobar always said that the Cali people and you were the heads of "Los Pepes." How was Cali involved in that organization?

[Castano] I have no relationship with what you call the Cali Cartel. I do not think that the cartel exists as such. I do have good friends in the Cauca Valley and I am grateful to them because they were the ones who provided the authorities with the most information about Pablo Escobar's narcoterrorists.

[SEMANA] Have you thought about turning yourself in to the authorities?

[Castano] I have thought about it repeatedly. But the outlook would be bleak for me because I know that it would take longer to get me into prison than to get myself killed there. I have a lot of enemies in jail, and they would not waste this unique opportunity to murder me. I think that all things considered, I will try to stay alive in the countryside. I would rather die there than give my enemies a chance to achieve their goal. So, I have promised myself that I will never allow myself to be taken to jail. I swear it.

[SEMANA] Is your paramilitary group still active?

[Castano] No, I do not have a paramilitary group, but I do have armed personnel to protect me, because I still live in a mountainous area alongside the FARC, the ELN, and a hard core of cattle rustlers from the Popular Liberation Army who dream of seeing me dead. When all is said and done, as long as I am living in a guerrilla zone, I will never be able to let down my guard.

Ecuador

Conaie: Government Hired Paramilitary Groups

PA2106025694 Quito Voz de los Andes in Spanish 2300 GMT 20 Jun 94

[From the "Voz Andes" newscast]

[Text] The Conaie [Confederation of Indian Nationalities of Ecuador] continues to paralyze the mountain provinces of the mountain range. The shortage of basic staples is apparent there. Conaie representative (Nina Pacari) said that her organization has nothing to do with abuses and violence committed on the streets. She maintains that paramilitary groups hired by the regime, the Social Christian Party, and the Republican Unity Party, burned peasant organization headquarters and killed Indians.

[Begin (Pacari) recording, in progress] ...the entire country, especially between the Andean region and Cotopaxi Province, and the Amazonian areas of the Provinces of Pastaza and Napo are completely paralyzed. The country's Indian and peasant movement has intensified its actions to protest against this agricultural law. We want to denounce repression in several provinces, deaths and injuries, and, especially, attacks on the headquarters of our provincial organizations.

We blame the national government for this because it is behind the evil actions of paramilitary groups against our companeros and leaders nationwide. We must point out that paramilitary groups killed companero (Marcos Marabanda) in Tungurahua Province, where a pickup truck fired indiscriminately and sped away. Also, Radio Centro was fired on by paramilitary groups that fled. [end recording]

Conaie will continue its actions until the regime repeals the agricultural law. (Pacari) pointed out that it is preferable for the country to lose hundreds of millions of Sucres now as a result of the paralysis than to lose the entire agricultural sector, because of a law that brings absolutely no benefits for Indians and peasants.

Four Indians Reportedly Die in Violent Clashes

PA2006173394 Paris AFP in Spanish 1526 GMT 20 Jun 94

[Text] Quito, 20 Jun (AFP)—The social and political agitation by Ecuadoran Indians, which has kept the country in upheaval in the past eight days, worsened in the last few hours with violent incidents that reportedly led to the death of four Indians from the Andean Province of Canar, south of Quito.

Organized by the Confederation of Indian Nationalities of Ecuador (Conaie), which includes most of the Indian groups, the Indians are strictly carrying out a "great protest mobilization for life" to demand the repeal of a new agrarian law approved by the Executive and Legislative Branches. The Indians charge that the law is unconstitutional.

A source from the organization told AFP today that on Thursday the Indians of the Amazon region began taking control of the facilities for four petroleum wells managed by the Elf Hydrocarbures company of France and the Ecuadoran State Petroleum Enterprise.

The provinces through which the Andes mountain range crosses have been cut off from each other because the main highways have been blocked. Hundreds of Conaie members armed with work tools such as machetes and

picks occupied the roads, which they are not leaving for any reason despite the presence, until now peaceful, of troops and policemen.

Nevertheless, the unrest got worse yesterday when Indians looted stores and the public market of the city of Canar, in the Andean province of the same name. This action provoked a reaction from merchants. Approximately 20 Indians and merchants were injured in the violent clashes, during which weapons appeared.

Segundo Serrano, mayor of Azogues, the capital of Canar, told AFP by telephone that in the violence an Indian died from blows to the head. This has been officially confirmed by authorities. He added that, according to reports from Indian leader Jose Guaman, the merchants burned a community house and that the bodies of at least three Indians were found among the rubble. This has yet to be confirmed.

"The situation was on the verge of getting even worse when the Canar Indians tried to start a fire in a fuel distribution facility in the city of Canar," Serrano added. He indicated that the city awoke today under the military control of Army troops, which were urgently deployed to the site to try to retake control and prevent more violence. "The people of Canar are living tense times. There is great fear in the center of the city, which only has five policemen," he said. The mayor also said the Indians have reportedly threatened to come down from the mountains to burn the city.

Meanwhile, Conaie Vice President Rafael Pandam told AFP that another Indian was killed on Thursday in Tungurahua Province (in southern Ecuador) during the protests. He said the Indians will "oppose to the death" the agrarian law because it harms their interests and demands. As an example, he said the elimination of the Ecuadoran Institute of Agrarian Reform and Settlement (IERAC) also means the disappearance of the legal distribution of land to the Indians, who will have to seek new lands at the same time that arbitrary settlements are encouraged.

Conaie President Luis Macas urged the Court of Constitutional Guarantees (in charge of enforcing the laws) and the constitutional chamber of the Supreme Court of Justice "not to permit such big violations of the constitution because this would lay the groundwork for absolute chaos in all areas."

Kidnappings Said To Be Increasing

94P20877

[Editorial Report] Crime rates have increased in direct proportion to the socioeconomic crisis affecting the country and, according to an article by Javier Simancas in the Guayaquil daily EL UNIVERSO of 29 May, kidnapping for ransom of businessmen and politicians has intensified from 1992 to the present. The national police have stated that the problem is neither "accidental" nor linked to worsening socioeconomc conditions, but directly related to the immigration of entire mafia-type organizations and "subversive groups" from neighboring countries. Police statements add that Ecuador has become an easy target for these organizations to earn money by these means. In the past two years, 15 kidnappings have been officially reported that have earned the perpetrators a billion sucres. According to EL UNIVERSO, kidnapping crimes are concentrated in the Amazon areas of Sucumbios because that area is conducive to the free movement of organizations between Colombia and Ecuador. The article also pointed out that the cities of Guayaquil and Quito are not exempt from this type of crime.

Minister of Defense Jose Gallardo, however, denied that crimes of kidnapping are a real threat to the country and minimized their links to terrorist organizations. He added "it is not true that kidnapping has become an unmanageable scourge," and stated that although Sucumbios had been the site for many of these crimes, they have been "totally eliminated" at present. Gallardo further noted that in Guayaquil, as well, many kidnapping attempts "were controlled in time."

Daily Announces Series of Opinion Polls

94P20878

[Editorial Report] Guayaquil EL UNIVERSO 0F 30 May announces that the results of a series of opinion polls conducted by Informe Confidencial will be published on page 1 of the newspaper, four times a week: Monday, Tuesday, Saturday, and Sunday. The polls will be conducted among residents of Guayaquil and Quito in an attempt to gather public opinion on various issues of national concern.

First Poll: RETURN TO THE BALLOT BOX

Question: Do You Think the Government Should Call a Plebiscite for July?

Answer:	Yes	Guayaquil	57.3 percent	Quito	53 percent
	No	Guayaquil	36.5 percent	Quito	43.3 percent
	No Answer	Guayaquil	6.2 percent	Quito	3.7 percent

Source: Informe Confidencial

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